



**Essar Securities Limited**  
Essar House,  
11, K. K. Marg,  
Mahalaxmi,  
Mumbai- 400 034  
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F +91 22 2354 4789

E:eslinvestors@essar.com  
[www.essar.com](http://www.essar.com)

**June 23, 2022**

To  
**BSE Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai – 400 001

Dear Sir,

**Sub: Annual Report of the Company for the financial year ended March 31, 2022**

**Ref: Scrip Code 533149**

Pursuant to Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, please find enclosed the copy of the Annual Report of the Company for the financial year ended March 31, 2022.

The Notice and Annual Report for the financial year ended March 31, 2022 have been sent by email to those Members whose email addresses are registered with the Company/Company's Registrar and Share Transfer Agent ('RTA') / Depository Participant(s) ('Depository') and Physical copy by courier and Registered post to those Members whose email address are not registered, and the same has been also uploaded on the website of the Company at <https://www.essar.com/investors/essar-securities-limited/>

Request you to kindly take the same on your record.

Thanking you,

Yours faithfully,  
**For Essar Securities Limited**

  
**Rachana H Trivedi**  
**Company Secretary & Compliance Officer**  
**Membership No: ACS 62289**

# **Essar Securities Limited**

Annual Report  
2021 - 22

**Board of Directors**

Mr. Somashekhar B. Malagi  
Ms. Priyanka Oka  
Mr. Srikanth R. Venkatadriagaram

**Company Secretary**

Ms. Rachana H Trivedi

**Auditors**

M/s. D K S K & Company  
Chartered Accountants  
D 44, Vijay Nagar Colony, Vikrampur,  
Secunderabad 500009

**Bankers**

Kotak Mahindra Bank Limited  
Axis Bank Limited

**Registered Office**

New No. 77/56,  
C. P. Ramaswamy Road,  
Abhiramapuram,  
Chennai – 600 018, Tamil Nadu  
Tel: +91 44 24995340

**Corporate Office**

Essar House,  
11, K. K. Marg,  
Mahalaxmi,  
Mumbai – 400 034  
Tel: +91 22 6660 1100  
Fax: +91 22 2354 4789  
Visit us at <https://www.essar.com/investors/essar-securities-limited/>

**Registrar and Transfer Agent**

Data Software Research Company Private Limited  
No.19, Pycrofts Garden Road,  
Off. Haddows Road, Nungambakkam  
Chennai - 600 006, Tamil Nadu  
Tel.: +91-44-2821 3738 and +91-44-2821 4487  
Fax.:+91-44-2821 4636  
Email: [essar.securities@dsr-cid.in](mailto:essar.securities@dsr-cid.in)

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## NOTICE OF 17<sup>TH</sup> ANNUAL GENERAL MEETING

Notice is hereby given that the 17<sup>th</sup> Annual General Meeting ("AGM") of the members of Essar Securities Limited will be held on Monday, July 18, 2022 at 11.00 a.m. at **Sabari Grand, 29, Thirumalai Road, T. Nagar, Chennai – 600 017, Tamil Nadu** to transact the following business:

### ORDINARY BUSINESS:

#### 1. Adoption of financial Statements:

To consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2022 and the reports of the Board of Directors ("the Board") and auditors thereon.

#### 2. To appoint a director in place of Ms. Priyanka Oka (DIN: 08066379), who retires by rotation and, being eligible, seeks reappointment:

To consider and if thought fit, to pass the following resolution as an ordinary resolution:

**RESOLVED THAT**, pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, the approval of members of the Company, be and is hereby accorded to reappoint Ms. Priyanka Oka (DIN: 08066379), as a director, who is liable to retire by rotation.

#### 3. Appointment of M/s. A. P. Rajagopalan & Co., Chartered Accountants, as statutory auditors of the Company:

To consider and if thought fit, to pass the following resolution, as an ordinary resolution:

**RESOLVED THAT** pursuant to Sections 139, 141, 142 and all other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof) and pursuant to the recommendations of the audit committee and the Board of Directors of the Company, M/s. A. P. Rajagopalan & Co. Chartered Accountants (Firm registration number: 0108421W) be and is hereby appointed as Statutory Auditors of the Company in place of retiring auditors M/s. D K S K & COMPANY (Firm Registration Number 017224S) to hold office from the conclusion of 17<sup>th</sup> AGM till the conclusion of 22<sup>nd</sup> AGM scheduled to be held in the year 2027, at such remuneration as may be determined by the Board of Directors of the Company (Including its committees thereof).

**RESOLVED FURTHER THAT** the Board of Directors of the Company, (including its committees thereof), be and are hereby authorized to do all such acts,

deeds, matters and things as may be deemed proper, necessary, or expedient, including filing the requisite forms or submission of documents with any authority or accepting any modifications to the clauses as require"

### SPECIAL BUSINESS:

#### 4. Re-appointment of Mr. Somashekhar Basavaraj Malagi (DIN: 07626139) as an Independent Director:

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

**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other relevant provisions of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Articles of Association of the Company, approval and recommendation of the nomination and remuneration committee, and that of the Board, Mr. Somashekhar Basavaraj Malagi (DIN: 07626139), who was appointed as an Independent Director of the Company at the 12<sup>th</sup> Annual General Meeting of the Company and who holds office of the Independent Director up to March 31, 2022 and who is eligible for being re-appointed as an Independent Director of the Company, not liable to retire by rotation, to holds office for a second term of 5 consecutive years commencing from May 9, 2022 to May 8, 2027.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers to any committee of directors with power to further delegate to any other officer(s) / authorized representative(s) of the Company to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

By order of the Board of Directors  
For Essar Securities Limited

June 10, 2022  
Mumbai

**Rachana H Trivedi**  
Company Secretary

#### Registered office

56, New No. 77,  
C. P. Ramaswamy Road,  
Abhiramapuram,  
Chennai - 600 018  
Tamil Nadu

**NOTES**

1. A member entitled to attend and vote at the meeting is entitled to appoint proxy/proxies to attend and vote instead of himself/herself and such proxy/proxies need not be a member of the company.
2. The instrument of proxy in order to be effective must be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the Annual General Meeting ("AGM").
3. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than ten (10%) percent of the total share capital of the Company. A Member holding more than ten (10%) 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.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, July 12, 2022 to Monday, July 18, 2022 (both days inclusive) for the purpose of the AGM of the Company.
5. Members/Proxies/Representatives should bring the duly filled attendance slip along with their copy of Annual Report at the AGM.
6. Corporate Members intending to send their authorized representatives to attend the AGM are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the AGM.
7. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.
8. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the AGM.
9. Members are requested to:
  - a) intimate to the Company's Registrar and Share Transfer Agent - Data Software Research Company Private Limited ("DSRC"), changes, if any, in their registered addresses, in case of shares held in physical form;
  - b) intimate to their Depository Participant with whom they are maintaining their demat accounts, changes, if any, in their registered addresses/email ID, in case of shares held in dematerialized form.
  - 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 folios in the identical order of names.
10. 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.
11. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or DSRC.
12. In terms of Listing Regulations, the securities of the listed companies can only be transferred in dematerialized form with effect from April 01, 2019. In view of the same, Members are advised to dematerialize shares held by them in physical form.
13. Notice of the AGM along with the Annual Report 2021-22 is being sent by electronic mode to those Members whose email addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their email addresses, physical copies are being sent by the permitted mode. Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website of the Company <https://www.essar.com/investors/essar-securities-limited/> for their download.
14. Members seeking clarifications on the Annual Report are requested to send in written queries to the Company at least one week before the date of the AGM. This would enable the Company to compile the information and provide replies in the AGM.
15. All documents referred to in the accompanying Notice shall be open for inspection at the Registered Office of the Company during business hours (9.00 a.m. to 5.00 p.m.) on all working days except Saturdays, up to and including the date of the AGM.
16. During the period beginning 24 hours before the time fixed for the commencement of the AGM and ending with the conclusion of the AGM, a Member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
17. Members holding shares in single name and physical form are advised to make nomination in respect of

shareholding in the Company. Members can avail of the Nomination facility by filing Form SH-13 with the Company or its Registrar. Blank forms will be supplied on request. In case of shares held in Demat form, the nomination has to be lodged with their Depository Participants.

18. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held in electronic form and to DSRC in case the shares are held in physical form.
19. Members are hereby advised to contact Data Software Research Company Private Limited, Registrar and Share Transfer Agent of the Company, at the following address for any assistance, request or instruction regarding transfer or transmission of shares, dematerialization of shares, change of address, non-receipt of annual report, dividend payments and other query / grievance relating to the shares of the Company:

**Add:** No.19, Pycrofts Garden Road,  
Off. Haddows Road, Nungambakkam,  
Chennai - 600 006, Tamil Nadu  
**Tel.:** +91-44-2821 3738 and +91-44-2821 4487  
**Fax:** +91-44-2821 4636  
**Email ID:** [essar.securities@dsrc-cid.in](mailto:essar.securities@dsrc-cid.in)

20. Route Map showing directions to reach to the venue is attached to this report.

#### 21. General instructions for voting

- (a) In compliance with the provisions of Section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) 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 AGM ('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 AGM who have not cast their vote by remote e-voting shall be able to vote at the AGM through ballot papers.
- (d) The Members who have cast their vote by remote e-voting may also attend the AGM but shall not be entitled to cast their vote again.
- (e) The remote e-voting shall commence on Friday, July 15, 2022 (9.00 a.m.) and ends on Sunday, July 17, 2022 (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. July 11, 2022, 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. July 11, 2022.
- (h) A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date, only shall be entitled to avail the facility of remote e-voting and voting at AGM through ballot paper.
- (i) The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for all those Members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- (j) Mr. I.B.Harikrishna (Certificate of Practice No: 5302) Prop. M/s. IBH & Co., Practicing 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 AGM through ballot paper and through remote e-voting, will, not later than 48 hours of conclusion of the AGM, 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. <https://www.essar.com/investors/essar-securities-limited/> and on the website of the CDSL viz. [www.evotingindia.com](http://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 AGM i.e. July 18, 2022.

#### 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](http://www.evotingindia.com).
- (ii) Click on Shareholders/Members.
- (iii) 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](http://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:

	<b>For Members holding shares in Demat Form and Physical Form</b>
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"> <li>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.</li> <li>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.</li> </ul>

Dividend Bank Details  <b>OR</b> 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"> <li>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 (iii).</li> </ul>
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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) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

#### **NOTE FOR NON – INDIVIDUAL SHAREHOLDERS AND CUSTODIANS**

- i. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- ii. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- iii. 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.
- iv. The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- v. 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.
- vi. 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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).



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

### Item no. 4: Re-appointment of Mr. Somashekhar Basavaraj Malagi (DIN: 07626139) as an Independent Director:

Mr. Somashekhar Basavaraj Malagi (DIN: 07626139) was appointed as an independent director of the Company pursuant to Section 149 of the Companies Act, 2013, read with the Companies (Appointment and Qualification of Directors) Rules, 2014, by the members at the AGM held on September 29, 2017, to hold office up to March 31, 2022. He is due for retirement from the first term as an independent director. The Circular Resolution passed by the Nomination and Remuneration Committee on May 9, 2022, after taking into account the performance evaluation of Mr. Somashekhar Basavaraj Malagi during his first term of five years and considering his knowledge, acumen, expertise, experience and substantial contribution and time commitment, has recommended to the Board his reappointment for a second term of five consecutive years. The nomination and remuneration committee has considered his diverse skills, leadership capabilities, expertise in governance and finance, risk management and vast global business experience, among others, as being key requirements for this role. In view of the above, the nomination and remuneration committee and the Board are of the view that Mr. Somashekhar Basavaraj Malagi possesses the requisite skills and capabilities, which would be of immense benefit to the Company, and hence, it is desirable to reappoint him as an independent director.

Based on the recommendation of the nomination and remuneration committee, the Board, has recommended the reappointment of Mr. Somashekhar Basavaraj Malagi as an independent director, not liable to retire by rotation, for a second term of five consecutive years with effective from May 9, 2022 to May 8, 2027.

In accordance with the provisions of Section 149 of the Companies Act, 2013, an independent director may hold office for two terms up to five consecutive years each. Mr. Somashekhar Basavaraj Malagi fulfills the requirements of an independent director as laid down under Section 149(6) of the Companies Act, 2013, and Regulation 16 of the LODR Regulations.

The Company has received all statutory disclosures / declarations from Mr. Somashekhar Basavaraj Malagi, including (i) consent in writing to act as director in Form DIR-2, pursuant to Rule 8 of the Companies (Appointment

& Qualification of Directors) Rules, 2014 ("the Appointment Rules"), (ii) intimation in Form DIR-8 in terms of the Appointment Rules to the effect that he is not disqualified under sub-section (2) of Section 164 of the Act, and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013. The Company has also received a notice under Section 160 of the Companies Act, 2013 from a member, intending to nominate Mr. Somashekhar Basavaraj Malagi to the office of independent director.

In the opinion of the Board and based on its evaluation, Mr. Somashekhar Basavaraj Malagi fulfils the conditions specified in the Companies Act, 2013 and Rules made thereunder and LODR Regulations for his reappointment as an independent director of the Company and he is independent of the Management of the Company.

The resolution seeks the approval of members for the reappointment of Mr. Somashekhar Basavaraj Malagi as an independent director of the Company with effective from May 9, 2022 up to May 8, 2027, pursuant to Sections 149, 152 and other applicable provisions of the Act and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof) and his office shall not be liable to retire by rotation.

None of the director, key managerial personnel or their relatives except Mr. Somashekhar Basavaraj Malagi, to whom the resolution relates, is interested in or concerned, financially or otherwise, in passing the proposed resolution set out in item no. 4.

The Board recommends the resolution set forth in item no. 4 for the approval of members.

By order of the Board of Directors  
For Essar Securities Limited

June 10, 2022  
Mumbai

**Rachana H Trivedi**  
Company Secretary

### Registered office

56, New No. 77,  
C. P. Ramaswamy Road,  
Abhiramapuram,  
Chennai - 600 018  
Tamil Nadu

## DIRECTORS' REPORT

To,

The members of Essar Securities Limited ("the Company")

The Directors present the 17<sup>th</sup> Annual Report of the Company together with its Audited Financial Statements for the financial year ended March 31, 2022.

### 1. **FINANCIAL SUMMARY:**

The financial highlights for the year under review are given below:

(₹ In Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from Operations	25.35	23.00
Other Income	-	-
Total Income	25.35	23.00
Less: Total Expense	16.31	21.45
Profit/(Loss) from ordinary activities before tax	9.04	1.55
Less: Tax Expenses	-	-
Profit/(Loss) after tax	9.04	1.55
Total Comprehensive Income for the year	9.04	1.55

### 2. **FINANCIAL PERFORMANCE & STATE OF COMPANY'S AFFAIRS:**

During the year under review, the total income of the Company was ₹ 25.35 lakhs as against ₹ 23.00 lakhs in the previous financial year. The Company has incurred net profit of ₹ 9.04 lakhs as against net profit of ₹ 1.55 lakhs in the previous financial year.

The Company's performance and outlook for the year under review has been discussed in detail in Management Discussion and Analysis which forms a part of this Report.

### 3. **AMOUNT TRANSFERRED TO RESERVES:**

The Directors do not propose to transfer any amount to reserves for the financial year ended March 31, 2022.

### 4. **SHARE CAPITAL:**

There was no change in the capital structure of the Company during the financial year under review. The paid up share capital as on March 31, 2022 was ₹ 14,28,77,540/- comprising of 1,42,87,754 Equity Shares of ₹ 10/- each.

### 5. **DIVIDEND:**

The Directors do not recommend any dividend for the financial year ended March 31, 2022.

### 6. **DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP):**

Mr. Somashekhar B. Malagi (DIN:07626139) and Mr. Srikanth R. Venkatadriagaram (DIN:07923382) are continues to be Independent Directors of the Company.

#### **Re-appointments:**

Director liable to Retirement by Rotation:

As per the provisions of the Companies Act, 2013, Ms. Priyanka Oka, the non-executive and non-independent Director, whose office is liable to retire at the ensuing AGM, being eligible, seeks reappointment. Based on performance evaluation and the recommendation of the nomination and remuneration committee, the Board recommends his reappointment. The notice convening the 17<sup>th</sup> AGM, to be held on July 18, 2022, sets out the details.

#### **Reappointment of independent director:**

Mr. Somashekhar B. Malagi as an independent director for the first term of five years effective April 1, 2017. His office of directorship is due for retirement on March 31, 2022. Based on the recommendation of the nomination and remuneration committee and after taking into account the performance evaluation of his first term of five years and considering the knowledge, acumen, expertise, experience and the substantial contribution he brings to the Board, the committee has recommended the appointment of Mr. Somashekhar B. Malagi to the Board for a second term of five years. The Board of Directors of the Company approved the reappointment of Mr. Somashekhar B. Malagi as an independent director of the Company with effective from May 9, 2022 to May 8, 2027, whose office shall not be liable to retire by rotation.

The Board recommends the reappointment to the shareholders. The notice convening the 17<sup>th</sup> AGM, to be held on July 18, 2022, sets out the details

#### **Key Managerial Personnel (KMP)**

Ms. Rachana H Trivedi – Company Secretary and Compliance Officer

### 7. **DECLARATION FROM INDEPENDENT DIRECTORS:**

All the Independent Directors have given their respective Declaration of Independence, as required

under Section 149(7) of the Companies Act, 2013, stating that they meet the criteria of independence as specified in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations'). In the opinion of the Board, they fulfil the conditions of independence as specified in the Act and the Listing Regulations and are independent of the management.

## 8. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS:

The Board met 4 (Four) times during the year under review. The details of Board meetings held and attendance of the Directors are provided in the Corporate Governance Report forming part of this Report.

## 9. Committee of the Board

The Company has three broad -level Committees which are appended below:

1. Audit Committee
2. Nomination and Remuneration Committee.
3. Stakeholders Relationship Committee

The Information pertaining to aforementioned Committees are furnished in the Corporate Governance Report, which forms part of Directors' Report.

The Board accepted the recommendations of the Committee whenever as may required.

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

The Company has adopted Nomination and Remuneration Policy for identification, selection and appointment of Directors, Key Managerial Personnel and Senior Management Personnel of the Company. The Policy provides criteria for fixing remuneration of the Directors, Key Managerial Personnel and Senior Management Personnel of the Company. The Policy enumerates the powers, roles and responsibilities of the Nomination and Remuneration Committee. The Remuneration Policy is appended to this report as **Annexure A**.

## 11. MANAGERIAL REMUNERATION AND OTHER DETAILS:

The information 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 is furnished in the **Annexure B** to this report.

## 12. EVALUATION OF THE PERFORMANCE OF THE BOARD:

In terms of the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the annual evaluation of the performance of the Board, its Committees and of individual Directors was carried out with a structured questionnaire covering various aspects of the Board functioning such as composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors, who were evaluated on factors such as level of participation, independence of judgement, interpersonal relationship, etc. On the basis of evaluation exercise, the Board is of the view that the Board and its Committees operate effectively.

## 13. VIGIL MECHANISM:

The Company has adopted a Whistle Blower Policy to provide a formal mechanism to the Directors and employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company have been denied access to the Audit Committee. The Policy is available on the website of the Company at [www.essar.com](http://www.essar.com).

## 14. DIRECTORS' RESPONSIBILITY STATEMENT:

In terms of Section 134(5) of the Companies Act, 2013, the Directors to the best of their knowledge state that:

- a) in the preparation of the annual accounts for the financial year ended March 31, 2022, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year March 31, 2022 and of the profit of the Company for that period;

- c) 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;
- d) the directors have prepared the accounts for the financial year ended March 31, 2022 on a going concern basis;
- e) 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; and
- f) 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;

**15. CHANGE IN NATURE OF BUSINESS, IF ANY:**

There was no change in the nature of business of the Company during the financial year ended March 31, 2022.

**16. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:**

There were no material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this Financial Statements relate and on the date of this Report.

**17. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Considering the nature of business of the Company, the information required under Section 134 (3)(m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 relating to conservation of energy and technology absorption is not applicable. There were no foreign exchange earnings or outgo during the period under review.

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

There are no women employees in the Company. Accordingly, the said provisions are not applicable to the Company.

**19. CORPORATE SOCIAL RESPONSIBILITY:**

The provisions of Section 135 of the Companies Act, 2013 are not applicable to the Company.

**20. LOANS, GUARANTEES, SECURITIES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013:**

The Company has not provided any loans, guarantees, securities or made investments covered under Section 186 of the Companies Act, 2013.

**21. RELATED PARTIES TRANSACTIONS:**

In line with the requirements of the Companies Act, 2013 and Listing Regulations, the Company has formulated a Policy on Related Party Transactions which is available on Company's website at <https://www.essar.com/investors/essar-securities-limited/> during the financial year 2021-22, the Company does not have related parties. therefore the Company has not entered into any transactions with related parties.

**22. DEPOSITS:**

During the year under review, the Company has not accepted any deposits within the meaning of Chapter V of the Companies Act, 2013, read with the Companies (Acceptance of Deposits) Rules, 2014.

**23. AUDIT REPORT AND AUDITORS:**

**Statutory Auditors**

Pursuant to Sections 139, 141, 142 and all other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof) and pursuant to the recommendations of the audit committee and the Board of Directors of the Company, M/s. A. P. Rajagopalan & Co. Chartered Accountants (Firm registration number: 0108421W) are proposed to be appointed as auditors in place of retiring auditors M/s. D K S K & COMPANY (Firm Registration Number 017224S) for a period of 5 years commencing from the conclusion of this AGM till the conclusion of the AGM to be held in the year 2027, subject to ratification by members every year, as may be applicable.

M/s. A. P. Rajagopalan & Co. Chartered Accountants (Firm registration number: 0108421W) have consented to the said appointment and confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act. They have further confirmed that they are not disqualified to be appointed as statutory auditors in terms of the provisions of the proviso to Section 139(1), 141(2) and 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.

The Audit Committee and the Board of Directors recommend the appointment of M/s. A. P. Rajagopalan & Co. Chartered Accountants (Firm registration number: 0108421W) as Statutory Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of the Annual General Meeting scheduled to be held in the year 2027.

The Ministry of Corporate Affairs vide its Notification dated 7<sup>th</sup> May 2018, has dispensed with the requirement of ratification of Auditor's appointment by the members every year. Accordingly, the resolution relating to ratification of Auditor's appointment is not included in the Notice of the ensuing Annual General Meeting.

### Statutory Auditors' Report

The Auditors' Report for the financial year ended March 31 2022, do not contain any qualification or reservation or adverse remark.

There were no frauds reported by the Auditors under the provisions of Section 143(12) of the Companies Act, 2013.

### Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Uma Lodha (Membership No. FCS 5363), Prop. M/s. Uma Lodha & Co. Associates, Practising Company Secretaries, were appointed as the Secretarial Auditors to carry out the secretarial audit of the Company for the financial year 2021-22.

### Secretarial Audit Report

A Secretarial Audit Report given by the Secretarial Auditors in Form No. MR-3 is annexed with this Report as **Annexure C**. There are no qualifications, reservations or adverse remarks made by Secretarial Auditors in their Report. However, there are few observations made by Secretarial Auditors. The below are the replies to the observations made by Secretarial Auditors:

### On the basis of Draft Secretarial Audit Report

#### Reply to observation 1&2:

The Company has made efforts to appoint KMPs as required under the provisions of Section 203 (1) and 203 (3) of the Companies Act, 2013 and Executive Directors. However commensurate with the Business operations of the Company, due to lack of response, the Company unable to get suitable KMPs and Executive Directors on the Board.

#### Reply to observations 3 to 8:

The Company has put in place adequate internal controls to ensure utmost compliance pertaining to Stock Exchange, SEBI, Company Law, etc.

#### 24. RISK MANAGEMENT POLICY:

The Company has framed Risk Management Policy to identify, evaluate, monitor and minimize identifiable risks such as strategic, financial, operational, compliance, legal and regulatory, etc. and to manage and control risks on a continuous basis.

In terms of Regulation 21(5) of Listing Regulations, the Risk Management Committee is not applicable to the Company.

#### 25. INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS:

The Company has adequate system of internal controls that are commensurate with its size and nature of business to safeguard and protect the Company from losses, unauthorised use or disposition of its assets. All the transactions are properly authorised, recorded and reported to the management. The Company is following all the applicable Accounting Standards for properly maintaining the books of accounts and ensuring timely reporting of financial statements.

#### 26. ANNUAL RETURN:

In accordance with the Companies Act, 2013, the annual return in the prescribed format is available at [https://www.essar.com/wp-content/uploads/2021/07/ESecL\\_Annual\\_Return.pdf](https://www.essar.com/wp-content/uploads/2021/07/ESecL_Annual_Return.pdf)

#### 27. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

The Company does not have any subsidiary company or joint venture during the financial year under review.

#### 28. CORPORATE GOVERNANCE REPORT:

In compliance with the provisions of Regulation 34 read with Schedule V of the Listing Regulations, the Corporate Governance Report of the Company for the financial year ended March 31, 2022.

#### 29. CORPORATE GOVERNANCE CERTIFICATE:

A Corporate Governance Certificate given by M/s. D K S K & Company, Chartered M/s. D K S K & Company, Chartered Accountants, the Auditors, on compliance with the provisions of Corporate Governance requirements as prescribed under the said Regulations is annexed with this report.

**30. COMPLIANCE WITH SECRETARIAL STANDARDS:**

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

**31. 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.

**32. ACKNOWLEDGEMENT:**

The Directors of the Company express their appreciation for the continuous support and co-operation received from all the stakeholders during the year.

For and on behalf of the Board of Directors of  
Essar Securities Limited

June 10, 2022  
Mumbai

Sd/-	Sd/-
<b>Somashekhar B. Malagi</b>	<b>Priyanka Oka</b>
Director	Director
DIN: 07626139	DIN: 08066379



## **ANNEXURE A TO THE DIRECTORS' REPORT**

### **NOMINATION AND REMUNERATION POLICY**

Essar Securities Limited recognizes 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 & Remuneration Committee comprises of three Directors and the Key objectives of the Committee would be: -

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

#### **2. DEFINITIONS**

- 1.1 "Act" means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
- 1.2 "Board" means Board of Directors of the Company.
- 1.3 "Key Managerial Personnel" means Managing Director, Whole-time Director, Chief Financial Officer, Company Secretary and such other officer as may be prescribed.
- 1.4 "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**

- 2.1 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.

- 2.2 Formulation of criteria for evaluation of Independent Directors and the Board.
- 2.3 Devising a policy on Board diversity.
- 2.4 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.
- 2.5 Policy for appointment and removal of Director, KMP and Senior Management.
- 2.6 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.
- 2.7 To perform such other functions as may be necessary or appropriate for the performance of its duties.

#### **4. APPOINTMENT CRITERIA AND QUALIFICATIONS**

- 3.1 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.
- 3.2 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.
- 3.3 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.
- 3.4 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

8.1 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.

8.2 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 Rs.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.

8.3 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 (Earlier Clause 49 of the Listing Agreement). 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 B TO THE DIRECTORS' REPORT****A. 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 2021-22:**

The Directors of the Company are not paid any remuneration or sitting fees. There are no employees on the payroll of the Company. Hence, the aforesaid ratio is not applicable.

- (ii) **The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2021-22:**

Not Applicable.

- (iii) **The percentage increase in the median remuneration of employees in the financial year 2021-22:**

Not Applicable.

- (iv) **The number of permanent employees on the rolls of Company:**

Nil.

- (v) **Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

Not Applicable.

**B. STATEMENT SHOWING PARTICULARS OF EMPLOYEES AS PER THE PROVISIONS OF SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

There are no employees on the payroll of the Company. Hence, the aforesaid provision is not applicable to the Company.

**For and on behalf of the Board of Directors of Essar Securities Limited**

Sd/-

**Somashekhar B. Malagi**

**Director**

**DIN: 07626139**

June 10, 2022  
Mumbai

## **ANNEXURE C TO THE DIRECTORS' REPORT**

Form MR-3

### **SECRETARIAL AUDIT REPORT**

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

**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2022**

**To**

The Members of

#### **ESSAR SECURITIES LIMITED**

We have conducted the Secretarial Audit of the compliance of applicable statutory provision and the adherence to good corporate practices by M/s. ESSAR SECURITIES LIMITED (CIN: L65990TN2005PLC071791) (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31<sup>st</sup> March, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minutes' books, forms and returns filed and other records provided by the Management of M/s. ESSAR SECURITIES LIMITED for the financial year ended 31<sup>st</sup> March, 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder along with the Notifications and Circulars issued by Ministry of Corporate Affairs from time to time;
- (ii) The Securities Contracts (regulation) Act, 1956 (SCRA) and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act').

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure requirements) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Registrars to issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

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

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

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

1. *During the year under review, the Company did not have a whole time Key Managerial personnel except Company secretary as against the requirement under Section 203(1) and 203(3) of the Companies Act, 2013.*

*Also, due to the non-appointment of Chief Financial Officer and Chief Executive officer, no compliance certificate was provided by CFO/CEO to the Board of Directors as required in Part B of Schedule II under*

*Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.*

2. *During the year under Review, there was no Executive Director, due to which there was no optimum combination of Board as required under Regulation 17(1)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.*
3. *During the year under Review, the Chairman of the Audit Committee, Stakeholder Relationship Committee and Nomination & Remuneration Committee, Mr. Somashekhar Basavaraj Malagi, was not present at the Annual General Meeting held on 16<sup>th</sup> August, 2021, resulting into Non-compliance of Regulation 18(1)(d) and 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178(7) of the Companies Act, 2013.*
4. *During the year under review, the Limited Review or Audit Reports submitted to the stock exchange(s) on a Quarterly or Annual basis were given by the M/s. D K S K & Company, Chartered Accountant of the Company who does not hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India, resulting in Non-compliance of Regulation 33(1)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.*
5. *During the year under review, the gap between the Audit Committee meeting dated 12<sup>th</sup> February 2021 and 18<sup>th</sup> June, 2021 has exceeded 120 days resulting in Non Compliance of Regulation 18(2)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.*
6. *During the year under review, for re-appointment of Ms. Priyanka Oka as director retiring by rotation, the necessary details mentioned in Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 did not form part of the Annual report.*
7. *During the year under review, no continual disclosures were received from the persons or promoters as required under regulation 30 (1) and 30 (2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.*
8. *During the year under review, the Company failed to maintain a Structured Digital Database containing the names of such persons or entities as the case may be with whom the UPSI is shared as required under Regulation 5 of Chapter II of SEBI (Prohibition of Insider Trading) Regulation, 2015.*

*Further, the Company is advised to adhere with the Secretarial Standards 1 & II regarding the Board meetings and General Meetings as issued by the ICSI.*

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

- The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
- The Securities and Exchange Board of India (Delisting of Equity Shares), Regulations, 2021.
- The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.
- The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014)

#### **We further report that**

The Board of Directors of the Company consists of only Non-Executive Directors and Independent Directors and Woman Director. There were no changes in the composition of the Board of Directors that took place during the period under review.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed, the decisions of the Board were unanimous, and no dissenting views have been recorded

We further report that based on the review of the compliance reports/certificates of the Company Secretary which were taken on record by the Board of Directors, during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

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

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

For Uma Lodha & Co.  
Practicing Company Secretaries

**Uma Lodha**  
Proprietor

Place: Mumbai  
Date: 08.06.2022

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

UDIN No.: F005363D000475349

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

**ANNEXURE B(i)'**

To,

The Members,

**ESSAR SECURITIES LIMITED**

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

- Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on the basis of the information provided by the Management. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
- Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

- The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
- Due to restricted movement amid COVID-19 pandemic, my basis of examination for issuing Secretarial Audit 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.

For Uma Lodha & Co.  
Practicing Company Secretaries

**Uma Lodha**  
*Proprietor*

FCS No.: 5363

C.P. No.2593

UDIN No.: F005363D000475349

Place: Mumbai  
Date: 08.06.2022



## **CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

*(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)*

To,

The Members of

### **ESSAR SECURITIES LIMITED**

We have examined the relevant registers, records, forms, returns and disclosures received from Directors of ESSAR SECURITIES LIMITED having CIN No. L65990TN2005PLC071791 and having registered office at New No. 77/56, C. P. Ramaswamy Road Abhiramapuram, Chennai-600018 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

<b>Sr. No.</b>	<b>NAME OF DIRECTOR</b>	<b>DIN</b>	<b>DATE OF APPOINTMENT</b>
1	Somashekhar Malagi	07626139	04/11/2016
2	Srikanth Venkatadriagaram	07923382	13/11/2018
3	Priyanka Oka	08066379	12/02/2018

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate 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 Uma Lodha & Co.**  
Practicing Company Secretaries

Place: Mumbai  
Date: 10.06.2022

**Uma Lodha**  
Proprietor  
C.P. No. 2593  
Membership No.5363  
UDIN: F005363D000482136

## CORPORATE GOVERNANCE REPORT

*[In terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations')]*

### 1. 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 continuously monitors the performance and ensures compliance of regulatory requirements including Listing Regulations.

### 2. BOARD OF DIRECTORS:

#### (A) Size and Composition of the Board:

In order to maintain independence of the Board, we have a Independent and Non-executive Directors on the Board. Out of total strength of 3 Directors as on March 31, 2022, two are Independent Directors and one is Non-executive women Director. The Board members come from diverse background and possess rich experience and expertise in various fields. The composition of the Board and the number of Directorships held by each director both in the Company as well as outside the Company is details in below table: consists of experienced professionals with expertise in varied field. As at 31<sup>st</sup> March, 2022, the composition of the Board of Directors of the Company was as follows:

**Table 1: The composition of the Board and the number of directorships held by them as on March 31, 2022**

Sr. No	Name of Director	No. of Directorships held in Public Companies*	Other Committee Position** (including Essar Securities Limited)		Name & Category of Directors in other Listed Companies (including Essar Securities Limited)
			Chairman	Member	
1	Mr. Somashekhar B. Malagi	4	2	Nil	Non-Executive, Independent Director
2	Mr. Srikanth R. Venkatadriagaram	1	Nil	2	Non-Executive, Independent Director
3	Ms. Priyanka Oka	2	Nil	2	Non-executive, Women Director

\*Including directorship in Essar Securities Limited in terms of Regulation 25(1) of the Listing Regulations.

\*\*Includes only Audit Committee and Stakeholders Relationship Committees

All the conditions as prescribed under the SEBI (LODR) Regulations, 2015, with respect to directorships, committee memberships & chairmanships, are being complied with by the Directors of the Company.

#### (B) Disclosure of relationships between directors inter-se

There is no relationship between the Directors inter se.

#### (C) Number of shares and convertible instruments held by non-executive directors

None of the Non-Executive Directors hold any share in the Company.

#### (D) Number of shares and convertible instruments held by non-executive directors

None of the Non-Executive Directors hold any share in the Company

#### (E) Skills / Expertise / Competencies of the Board of Directors

The following is the list of core skills / expertise / competencies identified by the Board of Directors as required in the context of the Company's business and that the said skills are available with the Board:

- Knowledge of the industry in which the Company operates
- Technical skills - Accounting and Finance, Information Technology, Compliance and Risk, Legal
- Management skills – Planning, Leadership, Decision Making
- Behavioral skills - Integrity and ethical standards, Interpersonal relations, Mentoring abilities

#### (F) Independent Directors:

##### 1. Independent Director

In the opinion of the Board, all the Independent Directors fulfill the criteria on independence as prescribed under Regulation 16 of the SEBI (LODR) Regulations, 2015, as explained below, and are independent of the management.

Independent Director shall mean a Non-Executive Director, other than a Nominee Director of the Company:

- a. who, in the opinion of the Board of Directors, is a person of integrity and possesses relevant expertise and experience;
- b. who is or was not a Promoter of the Company or its holding, subsidiary or associate companies or member of the promoter group of the Company;
- c. who is not related to Promoters or Directors in the Company or its holding, subsidiary or associate companies;
- d. who, apart from receiving director's remuneration, has or had no material pecuniary relationship with the Company or its holding, subsidiary or associate companies, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- e. none of whose relatives has or had pecuniary relationship or transaction with the Company or its holding, subsidiary or associate companies, or their promoters, or Directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- f. who, neither himself nor whose relative(s)-
  - i. holds or has held the position of a key managerial personnel or is or has been an employee of the Company or its holding, subsidiary or associate companies in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
  - ii. is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of-
    - (A) a firm of auditors or company secretaries in practice or cost auditors of the Company

or its holding, subsidiary or associate companies; or

- (B) any legal or a consulting firm that has or had any transaction with the Company or its holding, subsidiary or associate companies amounting to ten per cent or more of the gross turnover of such firm;
- iii. holds together with his relatives two per cent or more of the total voting power of the Company; or
- iv. is a chief executive or director, by whatever name called, of any non-profit organization that receives twenty-five per cent or more of its receipts or corpus from the Company, any of its promoters, Directors or its holding, subsidiary or associate companies or that holds two per cent or more of the total voting power of the Company;
- (v) is a material supplier, service provider or customer or lessor or lessee of the Company;
- g. who is not less than 21 years of age;
- h. who is not a non-independent director of another company on the board of which any non-independent director of the listed entity is an independent director.

## 2. Limit on number of directorships

The number of companies in which each Independent Director of the Company holds office as an Independent Director is within the limits prescribed under Regulations 17A and 25 of the SEBI (LODR) Regulations, 2015.

## 3. Maximum tenure of the Independent Directors

None of the Independent Directors have exceeded the tenure prescribed under Regulation 25 of the SEBI (LODR) Regulations, 2015 and under Section 149(10) of the Act.

## 4. Performance evaluation of Independent Directors

The Nomination and Remuneration Committee has laid down criteria for performance

evaluation of Independent Directors, which are given below:

- a) Attendance at Board meetings and Board Committee meetings;
- b) Chairmanship of the Board and Board Committees;
- c) Contribution and deployment of knowledge and expertise at the Board and Committee meetings;
- d) Guidance and support provided to senior management of the Company outside the Board meetings;
- e) Independence of behaviour and judgement;
- f) Impact and influence; and
- g) Performance of the Directors.

#### 6. Separate meeting of the Independent Directors

During the financial year 2021-22, a separate meeting of the Independent Directors of the Company was held on November 2, 2021.

#### 7. Resignation(s) of Independent Director:

During the Financial Year (F.Y.) 2021-22, none of the Independent Directors have resigned from the Board.

#### 8. 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 <https://www.essar.com/investors/essar-securities-limited/>. All Board members and senior management personnel have affirmed with the code of conduct.

#### (G) Board Meeting:

As a good practice, the dates of the Board meetings in a financial year are decided in advance and circulated to all the Board members. The Board meetings are usually held at the Corporate Office of the Company located in Mumbai. The agenda for each meeting is drafted by the Company Secretary in consultation with the Chairman of the Board and circulated to the Board members in advance

of the meetings. The Board meets at least once every quarter to review and approve the quarterly results and other items on the agenda. In addition, the Board normally meets annually, for discussions on the annual operating plan. Additional Board meetings are held, whenever necessary.

During the year, Four Board meetings were held on the following dates:

- a) June 18, 2021;
- b) July 14, 2021;
- c) November 2, 2021;
- d) February 11, 2022;

**Table 2: Number of Board meetings and the attendance of Directors during the financial year 2021-22**

Sr. No	Name of the Director	No. of Board meetings held during F.Y 2021-22	No. of Board Meetings attended by the Directors during F.Y 2021-22	Attendance at the last AGM
1	Mr. Somashekhar B. Malagi	4	4	No
2	Mr. Srikanth R. Venkatadriagaram	4	4	Yes
3	Ms. Priyanka Oka	4	4	No

#### 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:

- I. Audit Committee
- II. Nomination and Remuneration Committee
- III. Stakeholders Relationship Committee

#### I. AUDIT COMMITTEE

##### a) Terms of reference

The powers, role and terms of reference of the Audit Committee covers the areas as contemplated under Regulation 18 of Listing Regulations and Section 177 of the Companies

Act, 2013, as applicable. It may be clarified that the power, role and review of the Audit Committee includes matters specified under Part C of Schedule II of Listing Regulations besides other terms as referred by the Board of Directors.

### **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:
  - i. 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.
  - ii. Changes, if any, in accounting policies and practices and reasons for the same.
  - iii. Major accounting entries involving estimates based on the exercise of judgment by management.
  - iv. Significant adjustments made in the financial statements arising out of audit findings.
  - v. Compliance with listing and other legal requirements relating to financial statements.
  - vi. Disclosure of any related party transactions.
  - vii. Modified (s) Opinions 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 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.
- 21) To review the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

#### 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:
  - i. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - ii. annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7).

#### b) Composition

The Audit Committee comprises of three qualified Directors, majority of them are Independent Directors. The members of the Committee have relevant experience in the field of finance and accounting. The composition of the Committee is in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations as given below:

**Table 3: Composition of Audit Committee:**

Name of Director	Designation	Category
Mr. Somashekhar B. Malagi *	Member	Non-executive & Independent Director
Ms. Priyanka Oka	Member	Non-executive & Non-Independent Director
Mr. Srikanth R. Venkatadriagaram**	Chairman	Non-executive & Independent Director

\* Mr. Somashekhar B. Malagi ceased to be a Chairman and he was appointed as a Member of this Committee with effective from May 26, 2022.

\*\* Mr. Srikanth R. Venkatadriagaram was appointed as a Chairman and ceased to be a Member of this Committee with effective from May 26, 2022.

#### c) Meetings and attendance during the year

During the financial year 2021-22 under review, the Audit Committee met 4 (Four) times i.e. June 18, 2021, July 14, 2021, November 2, 2021 and February 11, 2022. The details of meetings and attendance are given in below table:

**Table 4: Audit Committee – Meeting and Attendance**

Sr. No	Name of the Committee Member	No. of meetings held during F.Y 2021-22	No. of Meetings attended
1	Mr. Somashekhar B. Malagi	4	4
2	Ms. Priyanka Oka	4	4
3	Mr. Srikanth R. Venkatadriagaram	4	4

## II. NOMINATION AND REMUNERATION COMMITTEE

#### a) Composition

The Nomination and Remuneration Committee comprises of three non-executive directors out of which two are Independent Directors. The composition of the Committee is in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations as given below:

**Table 5: Composition of Nomination and Remuneration Committee**

Name of Director	Designation	Category
Mr. Somashekhar B. Malagi*	Member	Non-executive & Independent Director
Ms. Priyanka Oka	Member	Non-executive & Non-Independent Director
Mr. Srikanth Rajamani Venkatadriagaram**	Chairman	Non-executive & Independent Director



\* Mr. Somashekhar B. Malagi ceased to be a Chairman and he was appointed as a Member of this Committee with effective from May 26, 2022.

\*\* Mr. Srikanth R. Venkatadriagaram was appointed as a Chairman and ceased to be a Member of this Committee with effective from May 26, 2022.

**b) Terms of reference**

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

**c) Meeting and attendance during the year**

During the year 2021-22 under review, the Committee met 1 (One) time on the following dates viz. November 2, 2021. The details of meeting attended by the members of the Nomination and Remuneration Committee during the year are as given below:

**Table 6: Nomination and Remuneration Committee – meetings and attendance**

Sr. No	Name of the Committee Member	No. of meetings held during F.Y 2021-22	No. of Meetings attended
1	Mr. Somashekhar B. Malagi	1	1
2	Ms. Priyanka Oka	1	1
3	Mr. Srikanth R. Venkatadriagaram	1	1

**d) Performance evaluation**

The Nomination and Remuneration Committee of the Board has laid out the evaluation criteria for performance evaluation of the Board, its Committees and all the individual directors, in adherence to the Listing Regulations.

**III. STAKEHOLDERS RELATIONSHIP COMMITTEE**

**a) Composition**

The Board has formed a Stakeholders Relationship Committee to look into shareholder-related matters. The composition of the Committee is as given below:

**Table 7: Composition of Stakeholders Relationship Committee**

Name of Director	Designation	Category
Mr. Somashekhar B. Malagi*	Member	Non-executive & Independent Director
Ms. Priyanka Oka	Member	Non-executive & Non-Independent Director
Mr. Srikanth Rajamani Venkatadriagaram**	Chairman	Non-executive & Independent Director

\* Mr. Somashekhar B. Malagi ceased to be a Chairman and he was appointed as a Member of this Committee with effective from May 26, 2022.

\*\* Mr. Srikanth R. Venkatadriagaram was appointed as a Chairman and ceased to be a Member of this Committee with effective from May 26, 2022.

**b) Terms of reference**

- 1) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- 2) Review of measures taken for effective exercise of voting rights by shareholders.
- 3) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- 4) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory

notices by the shareholders of the company.

**c) Name and designation of compliance officer**

The Board has appointed Ms. Rachana H Trivedi, Company Secretary, as the Compliance Officer, as required under the SEBI (LODR) Regulations, 2015.

**e) Meeting and attendance during the year**

During the year 2021-22 under review, the Committee met 3 (Three) times on the following dates viz. June 18, 2021, November 2, 2021 and February 12, 2022. The details of meeting attended by the members of the Stakeholders Relationship Committee during the year are as given below:

**Table 8: Stakeholders Relationship Committee – meetings and attendance**

Sr. No	Name of the Committee Member	No. of meetings held during F.Y. 2021-22	No. of Meetings attended
1	Mr. Somashekhar B. Malagi	3	3
2	Ms. Priyanka Oka	3	3
3	Mr. Srikanth R. Venkatadriagaram	3	3

**Table 9: Details of Complaints by the Shareholders/Investors during the period from April 1, 2021 to March 31, 2022**

Sr. No	Nature of Complaints	No. of pending complaints as on April 1, 2021	No. of Complaint received	No. of complaints processed	No. of pending complaints as on March 31, 2022
1	SEBI [SCORES (SEBI Complaints Redress System)]	NIL	NIL	NIL	NIL

**4. REMUNERATION OF DIRECTORS**

**a) All pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the listed entity**

None.

**b) Criteria of making payments to Non-Executive Directors**

The Company has adopted a Nomination and Remuneration Policy for Directors and Key Managerial Personnel; regulated by the

Nomination and Remuneration Committee of the Board. The Policy is also available on the website of the Company.

**c) Disclosures with respect to remuneration**

Non-executive directors are not paid any sitting fees, salary, bonus, stock options, pension, etc.

**5. GENERAL BODY MEETINGS**

**a) Annual General Meeting**

**Table 10: details in respect of the last three Annual General Meetings (AGMs) of the Company**

Financial year	Date	Location	Time	Special Resolution Passed
2020-21	August 16, 2021	Utsava, New No.38, 2nd Main Road, R.A.Puram, Chennai - 600 028, Tamil Nadu	12:00 p.m.	No
2019-20	December 18, 2020	Utsava, New No.38, 2nd Main Road, R.A.Puram, Chennai - 600 028, Tamil Nadu	11.30 a.m.	No
2018-19	September 27, 2019	Chennai House, 5th Floor, 7, Esplanade, Chennai - 600 108, Tamil Nadu	11.00 a.m.	No

**b) Special resolution passed last year through postal ballot**

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

**c) Special resolution proposed to be conducted through postal ballot**

None of the business proposed to be transacted in the ensuing Annual General Meeting require passing special resolution through postal ballot.

**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 Business Standard (Mumbai, Chennai) and Makkal Kural (Chennai).

The results of the Company are also available on the website of the Company at <https://www.essar.com/investors/essar-securities-limited/>.

## 7. GENERAL SHAREHOLDER INFORMATION

### a) Annual General Meeting

**Day & Date** : Monday, July 18, 2022

**Time** : 11:00 p.m.

**Venue** : Sabari Grand, 29, Thirumalai Road, T. Nagar, Chennai – 600 017, Tamil Nadu.

### b) Financial year of the Company

April 1, 2021 to March 31, 2022

### c) Book Closure: Tuesday, July 12, 2022 to Monday, July 18, 2022 (both days inclusive)

### d) Dividend Payment Date

Not Applicable

### e) Listing on Stock Exchanges

BSE Limited (BSE Limited),  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai- 400001

The annual listing fee for the financial year 2021-22 has been paid by the Company to the Bombay Stock Exchange Limited.

### f) Stock Code: 533149

ISIN: INE143K01019

### g) Market price data - high, low during each month in last Financial Year

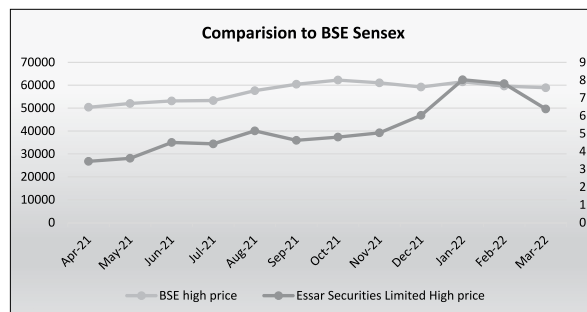
The monthly high and low quotation and the volume of shares traded on BSE Limited during financial year 2021-22 are as under:

**Table 11: Market Price Data**

Month	High Price	Low Price	No.of Shares
Apr-21	3.44	2.72	14,479
May-21	3.61	2.45	1,18,297
Jun-21	4.50	3.15	50,526
Jul-21	4.42	3.40	73,063
Aug-21	5.15	3.80	4,78,481
Sep-21	4.62	3.49	5,25,460
Oct-21	4.80	3.35	6,34,457
Nov-21	5.04	3.61	4,81,470
Dec-21	6.02	3.55	10,07,094
Jan-22	8.02	4.71	48,33,254
Feb-22	7.80	5.35	16,05,658
Mar-22	6.38	4.85	6,51,329

### h) Performance in comparison to BSE Sensex

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



### i) Registrar to an issue and share transfer agents (RTA)

Data Software Research Company Private Limited  
No. 19, Pycrofts Garden Road,  
Off. Haddows Road, Nungambakkam,  
Chennai 600006, Tamil Nadu, India  
Tel.: +91-44-2821 3738 and +91-44-2821 4487  
Fax: +91 44 2821 4636  
Email ID: [essar.securities@dsr-cid.in](mailto:essar.securities@dsr-cid.in)

### j) Share Transfer System

Applications for transfer of shares in physical form are processed by the Company's Registrar & Transfer Agent viz. Data Software Research Company Private Limited. The transfers of shares in physical form as and when received are normally processed within 15 days from the date of receipt of documents complete in all respects. Requests for dematerialization of shares are processed and confirmation thereof is given to the respective Depositories i.e. NSDL and CDSL within the statutory time limit from the date of receipt of share certificates provided the documents are complete in all respects.

However, as per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 08, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 01, 2019 unless the securities are held in the dematerialised form with the depositories. In view of the same, members are advised to dematerialize shares held by them in physical form.

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

**k) Distribution of shareholding as on March 31, 2022**

**Table 12**

No. of shares	Total No. of shareholders	% of shareholders	Total No. of shares	% of Total shares
1 - 500	18974	91.31	1390557	9.73
501 - 1000	784	3.77	661499	4.63
1001 - 2000	436	2.10	688356	4.82
2001 - 3000	179	0.86	465426	3.26
3001 - 4000	82	0.39	297282	2.08
4001 - 5000	74	0.36	348571	2.44
5001 - 10000	122	0.59	897736	6.28
10001 - 20000	67	0.32	966784	6.77
20001 - 30000	27	0.13	669562	4.69
30001 - 40000	11	0.05	372265	2.61
40001 - 50000	7	0.03	311810	2.18
50001 - 100000	7	0.03	420342	2.94
100001 - Above	10	0.05	6797564	47.58
<b>TOTAL</b>	<b>20780</b>	<b>100.00</b>	<b>14287754</b>	<b>100.00</b>

**l) Distribution of Equity Shareholding according to categories of Shareholders as at March 31, 2022**

**Table 13**

Category	No. of Shares	%
Promoters	3209343	22.46
Institution / Mutual funds / Banks	2316	0.02
Other Companies	719411	5.03
Non Domestic Companies	0	0.00
Foreign Institutional Investors / Non Resident Individuals	335370	2.34
Public	10021314	70.13
<b>TOTAL</b>	<b>14287754</b>	<b>100.00</b>

**m) Status of Dematerialization of Shares as on March 31, 2022**

**Table 14**

Mode	No. of Shares	%
DEMAT	13794267	96.55
PHYSICAL	493487	3.45
<b>TOTAL</b>	<b>14287754</b>	<b>100.00</b>

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

As on March 31, 2022, 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.

**o) Address for Correspondence:**

Essar House, 11, K. K. Marg,  
Mahalaxmi, Mumbai – 400 034  
Tel: +91 22 6660 1100  
Fax: +91 22 2354 4789  
Email ID: [eslinvestors@essar.com](mailto:eslinvestors@essar.com)  
Website: <https://www.essar.com/investors/essar-securities-limited/>

**Registrar and Transfer Agents**

Data Software Research Company Private Limited  
No. 19, Pycrofts Garden Road,  
Off. Haddows Road, Nungambakkam,  
Chennai 600006, Tamil Nadu, India  
Tel.: +91-44-2821 3738 and +91-44-2821 4487  
Fax: +91 44 2821 4636  
Email ID: [essar.securities@dsr-cid.in](mailto:essar.securities@dsr-cid.in)

For any assistance, shareholders may also write to the Company at the following email id: [eslinvestors@essar.com](mailto:eslinvestors@essar.com).

**8. OTHER DISCLOSURES**

**a) Materially significant related party transactions that may have potential conflict with the interests of listed entity at large:**

The Company does not have any material related party transactions which may have potential conflict with the interest of the Company at large during the financial year 2021-22. The transactions with related parties are disclosed in the notes on accounts in the financial statements as at March 31, 2022.

- b) **Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years:**

The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities and no penalties or strictures imposed on the Company by Stock Exchange, SEBI or any statutory authority on any matter related to capital markets during the last three years.

- c) **Details of establishment of vigil mechanism, whistle blower policy and affirmation that no personnel has been denied access to the audit committee:**

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 person was denied access to the Chairman of the Audit Committee for any grievance.

- d) **Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:**

The Quarterly / Yearly Reports on compliance of Corporate Governance in the prescribed format have been submitted to the Stock Exchanges where the Shares of the Company are listed within the stipulated time and the same are also uploaded on the Company's website at [www.essar.com](http://www.essar.com). The Company has complied with all mandatory requirements to the extent applicable to the Company.

- e) **Related Party Transactions:**

The Board of Directors of the Company has adopted a Related Party Transactions Policy pursuant to the requirements of Section 188 of the Companies Act, 2013 and Rules framed thereunder and Regulation 23 of the Listing Regulations. The said Related Party Transactions Policy has been uploaded on the website of the Company at <https://www.essar.com/investors/essar-securities-limited/>.

- f) **Discretionary Corporate Governance Requirements - Part E of Schedule II**

- **Shareholders' right**

The Company published quarterly results and performance in newspapers. The same results are made available to the shareholders on Company's website i.e. <https://www.essar.com/investors/essar-securities-limited/>. 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.

- g) The Company has duly complied with the requirements specified in Regulations 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.
- h) A certificate has been received from Uma Lodha (Membership No. FCS 5363), Prop. M/s. Uma Lodha & Co. Associates, Practising Company Secretaries, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.
- i) During the financial year 2021-22, the Board has accepted all the recommendations of its Committees.
- j) **Prevention of Insider Trading**  
As per the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has devised the Code of Conduct to regulate, monitor and report trading in Securities of the Company. During the year, there has been due compliance with the Code by the Company and all Insiders.
- k) Details relating to total fees for all services paid by the Company to the Statutory Auditor is given in Notes to the Financial Statements.

- l) Particulars of Directors seeking appointment / re-appointment at the ensuing Annual General Meeting have been provided in the Notice of the Annual General Meeting.
- m) During the financial year 2021-22, information as mentioned in Part A of Schedule II of the SEBI Listing Regulations, has been placed before the Board for its consideration.
- n) The Company has followed all relevant Accounting Standards notified by the Companies (Indian Accounting Standards) Rules, 2015 while preparing Financial Statements for 2021-22.
- o) **CEO & CFO Certification**  
The Company is in process to appoint CEO & CFO.
- p) **Declaration on adherence to the Code of Conduct**  
As provided under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all the Board members and senior management personnel of the Company have

affirmed compliance with the Company's Code of Conduct for the financial year ended March 31, 2022.

q) **Compliance certificate from the auditors regarding compliance of conditions of corporate governance**

The Company has duly complied with the requirements laid down in the provisions of the Listing Regulations for the purpose of ensuring Corporate Governance. A certificate from M/s. D K S K & Company, Chartered Accountants (Firm Registration No. 017224S), Statutory Auditors of the Company regarding compliance of conditions of Corporate Governance forms an integral part of the Annual Report.

**For and on behalf of the Board of Directors of Essar Securities Limited**

Sd/-

June 10, 2022  
Mumbai

**Somashekhar B Malagi**  
Director  
DIN: 07626139



## CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members of

### **ESSAR SECURITIES LIMITED**

1. We, D K S K & Company, Chartered Accountants, the Statutory Auditors of Essar Securities Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2022, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

### **Managements' Responsibility**

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

### **Auditor's Responsibility:**

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the "ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### **Opinion**

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2022 subject to the following:
  - i. Non-attendance of Chairman of the Audit Committee, Stakeholder Relationship Committee and Nomination & Remuneration Committee at the AGM of the company held on 16/08/2021.
  - ii. The gap between the Audit Committee Meeting dated 12/02/2021 and 18/06/2021 has exceeded 120 days.
  - iii. Due to non-appointment of Chief Executive Office (CEO), signed declaration by CEO, stating that the members of board of directors and senior management personnel have affirmed compliance with the code of conduct of board of directors and senior management, was not received for inclusion in the Annual Report for FY2021-22 as required by Para D of Schedule V.
8. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

### **For D K S K & Company**

Chartered Accountants

Firm Registration No: 017224S

### **K. Suresh Kumandan**

Partner

Membership No: 203211

UDIN: 22203211ALBDZB4510

Place: Mumbai

Date: 10.06.2022

## MANAGEMENT DISCUSSION AND ANALYSIS

### Industry Structure and Development and Opportunities, Threats, Risks and Concerns

The Company has started consulting services activities during the year and earned an income of ₹ 25.35 Lacs. The Company expects this activity to stabilize in current year.

### Segment

The Company did not carry any business operations during the year under review. Hence, segment wise performance is not applicable.

### Future Outlook

As the outlook for consultancy activity remains challenging, management is intending to stabilize consultancy operations at current levels in order to meet operational costs.

### Internal Control Systems and their adequacy

The Company has adequate Internal Control Systems commensurate with its size and nature of business. Internal Audits are periodically conducted by a firm of Chartered Accountants who monitor and evaluate the efficiency and adequacy of internal control systems in the Company.

### Financial Performance:

Consultancy income is recognized on accrual basis as per the terms of agreements.

### Significant Changes in Financial Ratios

The significant changes in the financial ratios of the Company, which are more than 25% as compared to the previous year are summarized below:

Financial Ratio	F.Y. 2021-22	F.Y. 2020-21	Reason for change
Current Ratio	23.18	6.07	Payment of Current Liabilities
Return on Equity	10.07%	2.0%	Increase in Net Profit
Trade Receivable Turnover Ratio	-	-	Since the trade receivable pertains to period earlier than 2021, this ratio is not calculated
Trade Payable Turnover Ratio	8.65	6.93	Reduction in other expenses
Net Capital Turnover Ratio	0.33	0.32	Increase in Revenue and Reduction in other expenses
Net Profit Ratio	35.7%	6.7%	Increase in Net Profit and Revenue

Financial Ratio	F.Y. 2021-22	F.Y. 2020-21	Reason for change
Return on Capital Employed	9.7%	1.6%	Increase in Profit before tax
Inventory Turnover Ratio	NIL	NIL	Not applicable
Interest Coverage Ratio	NIL	NIL	Not applicable
Operating Profit Margin	NIL	NIL	Not applicable

### Disclosure of Accounting Treatment:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provision of the Act. The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The Company prepared its financial statements based on assumptions and estimates on parameters available at that time. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

### Cautionary Statement

As statements in this discussion are based on estimates and perception of macro and micro economic scenario, actual results may vary from those stated on account of economic dynamics. Therefore the Company undertakes no obligation to publicly update or revise any forward looking statements, whether as a result of new information, future events or otherwise. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only of the expectations as on the date.

**For and on behalf of the Board of Directors of  
Essar Securities Limited**

Sd/-

**Somashekhar B Malagi**  
**Director**  
**DIN: 07626139**

June 10, 2022  
 Mumbai

## INDEPENDENT AUDITOR'S REPORT

To  
 The Members of  
**ESSAR SECURITIES LIMITED**

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the accompanying standalone financial statements of **Essar Securities Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss, the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 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, 2022, and its profit, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

We have determined that there are no key audit matters to communicate in our report.

#### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the

information included in Annual Report comprising Directors Report and Corporate Governance Report, but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and describe actions applicable in the applicable laws and regulations.

#### Responsibility of Management for the Standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity 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. 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit

evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, 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, (the Statement of Changes in Equity)

and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

- (d) In our opinion, the aforesaid standalone 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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 has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 14 to the financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. (a) the management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the

Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (b) the management has represented, that, to the best of its knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on such audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the aforesaid representations under sub-clause (i) and (ii) of Rule 11 (e) contain any material misstatement.
- v. During the year the company has not paid or declared any dividend.
3. As required by the Companies Act (as amended) we report that the company has not paid any remuneration to any director.

**For D K S K & Company**  
*Chartered Accountants*  
 Firm's Registration No. 017224 S

**Kottakota Suresh Kumandan**  
*Partner*

Place: Mumbai  
 Date: May 26, 2022

Membership No. 203211  
 UDIN: 22203211ALBERK6855



## 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, 2022

- |   |   |
|---|---|
| <p>(i) Since the company does not have property, plant and equipment and intangible assets reporting under Clauses (i) (a)(A), (i) (a)(B), (i) (b), (i) (c), (i) (d) and (i) (e) is not applicable.</p> <p>(ii) (a) Since the company does not have inventory reporting under Clause (ii) (a) is not applicable.</p> <p style="padding-left: 20px;">(b) Since during any point of time of the year, the company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets, reporting under clause ii (b) is not applicable.</p> <p>(iii) Based on the audit procedures applied by us and according to the information and explanations provided by the management, since during the year / period the company has not made any investments, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties, reporting under Clause (iii) (a), (iii) (b), (iii) (c), (iii) (d), (iii) (e) and (iii) (f) is not applicable.</p> <p>(iv) In our opinion and according to the information and explanations given to us, during the year there were no transactions of loans, investments, guarantees, and security, reporting under clause (iv) is not applicable.</p> <p>(v) In our opinion and according to the information and explanations given to us, during the year the company has not accepted any deposits from the public within the meaning of the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.</p> <p>(vi) As informed to us, maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.</p> <p>(vii) (a) According to the records of the company, there were delays in depositing undisputed statutory dues goods and services tax and income tax with the appropriate authorities. According to the records of the company the company does not have undisputed statutory dues of provident fund, employees' state insurance, sales-tax, service tax, duty of customs, duty of</p> | <p>excise, value added tax and cess. There were no arrears of statutory dues as at March 31, 2022 outstanding for a period of more than six months from the date they became payable.</p> <p>(b) According to the records of the company, the dues of income tax of ₹ 1,12,70,49 under Income Tax Act, 1961 for the financial year ended March 31, 2017 (AY 2017-18) pending in appeal with CIT Appeals, Mumbai, which have not been deposited on account of dispute.</p> <p>(viii) In our opinion and according to the information and explanations given to us, there were no transactions which have not been recorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).</p> <p>(ix) As the company does not have any loans or other borrowings, the reporting under clauses (ix) (a), (ix) (b), (ix) (c), (ix) (d), (ix) (e) and (ix) (f) is not applicable.</p> <p>(x) (a) In our opinion and according to the information and explanations given to us, during the year the company has not raised moneys by way of initial public offer or further public offer (including debt instruments).</p> <p style="padding-left: 20px;">(b) According to the records of the company, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year under review.</p> <p>(xi) (a) 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 has been noticed or reported during the course of our audit.</p> <p style="padding-left: 20px;">(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.</p> <p style="padding-left: 20px;">(c) According to the information and explanations given to us, whistle-blower complaints have not been received by the company during the year.</p> |
|---|---|



- (xii) Since the company is a not Nidhi Company, reporting under Clause (xii) is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, there are no transactions with the related parties or no balances outstanding due to / from the related parties and accordingly, reporting under Clause (xiii) is not applicable.
- (xiv) (a) In our opinion, the company does not have an internal audit system.  
 (b) In view of clause (xiv) (a) reporting under clause (xiv) (b) is not applicable.
- (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.
- (xvi) (a) 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.  
 In view of (xvi) (a) reporting under clauses (xvi) (b), (xvi) (c) and (xvi) (d) is not applicable.
- (xvii) According to the records of the company, the company has not incurred cash losses in the financial year and also not incurred cash losses in the immediately preceding financial year;
- (xviii) According to the records of the company, there has not been any resignation of the statutory auditors during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- (xx) In view of non applicability of section 135 of the Companies Act to the company reporting under clauses xx (a) and xx (b) are not applicable.

**For D K S K & Company**  
*Chartered Accountants*  
 Firm's Registration No. 017224 S

**Kottakota Suresh Kumandan**  
*Partner*  
 Membership No. 203211  
 UDIN: 22203211ALBERK6855

Place: Mumbai  
 Date: May 26, 2022

## ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE 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, 2022 in conjunction with our audit of the Standalone 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.

### Auditor's 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.

Reporting issued by the Institute of Chartered Accountants of India.

### 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, 2022, 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

**For D K S K & Company**  
*Chartered Accountants*  
Firm's Registration No. 017224 S

**Kottakota Suresh Kumandan**  
*Partner*

Place: Mumbai  
Date: May 26, 2022

Membership No. 203211  
UDIN: 22203211ALBERK6855

## BALANCE SHEET AS AT MARCH 31, 2022

	Note No.	As at March 31, 2022 ₹ in lakhs	As at March 31, 2021 ₹ in lakhs
<b>ASSETS</b>			
<b>1) Non Current Assets</b>			
Other non current assets	3	9.81	7.28
<b>2) Current Assets</b>			
(a) Financial Assets			
(i) Trade Receivables	4	-	79.09
(ii) Cash and Cash Equivalents	5	82.69	8.04
(b) Other Current assets	6	0.30	0.15
		<b>82.99</b>	<b>87.28</b>
<b>TOTAL ASSETS</b>		<b>92.80</b>	<b>94.56</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	7	1,428.78	1,428.78
(b) Other Equity	8	(1,339.56)	(1,348.60)
		<b>89.22</b>	<b>80.18</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
(a) Financial Liabilities			
<u>Trade Payables</u>	9	-	-
Total outstanding dues of micro enterprises and small enterprises		1.51	2.26
(b) Other Current Liabilities	10	2.07	12.12
		<b>3.58</b>	<b>14.38</b>
<b>TOTAL LIABILITIES</b>		<b>92.80</b>	<b>94.56</b>
Significant Accounting Policies (Notes forms integral part of Accounts)	2		

As per our report of even date

 For **D K S K & Company**  
 Chartered Accountants

**Kottakota Suresh Kumandan**  
 Partner

 Place: Mumbai  
 Date: May 26, 2022

For and on behalf of the Board

 Sd/-  
**Somashekhar B. Malagi**  
 Director  
 DIN : 07626139  
 Place: Mumbai

 Sd/-  
**Priyanka Oka**  
 Director  
 DIN: 08066379  
 Place: Mumbai

 Sd/-  
**Rachana Trivedi**  
 Company Secretary  
 Place: Mumbai

 Place: Mumbai  
 Date: May 26, 2022

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

	Note No.	For the year ended March 31, 2022 ₹ in lakhs	For the year ended March 31, 2021 ₹ in lakhs
<b>Income:</b>			
Revenue from Operations	11	25.35	23.00
<b>Total Income</b>		<b>25.35</b>	<b>23.00</b>
<b>Expenses:</b>			
Other Expenses	12	16.31	21.45
<b>Total Expenses</b>		<b>16.31</b>	<b>21.45</b>
<b>Profit/(Loss) from ordinary activities before tax</b>		<b>9.04</b>	<b>1.55</b>
<b>Tax expense:</b>			
Current tax		-	-
Tax Adjustments of Earlier years		-	-
<b>Profit/(Loss) after tax</b>		<b>9.04</b>	<b>1.55</b>
<b>Other Comprehensive Income</b>		-	-
<b>Total Comprehensive Income (comprising loss and other comprehensive income)</b>		<b>9.04</b>	<b>1.55</b>
<b>Earning per share:</b>	13		
Basic & Diluted Earnings per Share of ₹ 10 each		0.06	0.01
Significant Accounting Policies	1		
(Notes forms integral part of Accounts)			

As per our report of even date

For **D K S K & Company**  
Chartered Accountants

**Kottakota Suresh Kumandan**  
Partner

Place: Mumbai  
Date: May 26, 2022

For and on behalf of the Board

Sd/-  
**Somashekhar B. Malagi**  
Director  
DIN : 07626139  
Place: Mumbai

Sd/-  
**Rachana Trivedi**  
Company Secretary  
Place: Mumbai

Place: Mumbai  
Date: May 26, 2022

Sd/-  
**Priyanka Oka**  
Director  
DIN: 08066379  
Place: Mumbai

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022**

	Year ended March 31, 2022 ₹ in lakhs	Year ended March 31, 2021 ₹ in lakhs
<b>Cash Flow From Operating Activities</b>		
Profit before taxation	9.05	1.55
Adjustment for:		
Balances written off	-	4.47
<b>Operating Cash Flow before working capital changes</b>	<b>9.05</b>	<b>6.02</b>
Adjustment for:		
(Increase)/Decrease in Receivables	78.94	2.06
Increase / (Decrease) in Liabilities & Provisions	(10.80)	(1.50)
<b>Cash generated from operations</b>	<b>77.19</b>	<b>6.58</b>
Less: Taxes on Income Paid (Net)	(2.54)	(1.28)
<b>Net Cash generated from / (used in) Operating Activities</b>	<b>74.65</b>	<b>5.30</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>74.65</b>	<b>5.30</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>8.04</b>	<b>2.74</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>82.69</b>	<b>8.04</b>

**Note:** The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS) 7 on Statement on Cash Flows.

As per our report of even date

For **D K S K & Company**  
Chartered Accountants

**Kottakota Suresh Kumandan**  
Partner

For and on behalf of the Board

Sd/-  
**Somashekhar B. Malagi**  
Director  
DIN : 07626139  
Place: Mumbai

Sd/-  
**Priyanka Oka**  
Director  
DIN: 08066379  
Place: Mumbai

Sd/-  
**Rachana Trivedi**  
Company Secretary  
Place: Mumbai

Place: Mumbai  
Date: May 26, 2022

Place: Mumbai  
Date: May 26, 2022



## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

### A. EQUITY SHARE CAPITAL

#### 1. For the year ended March 31, 2022

	₹ in lakhs
Balance as at April 1, 2021	1,428.78
Changes in share capital due prior period errors	-
Restated Balance as at April 1, 2021	1,428.78
Changes in share capital during the year	-
Balance as at March 31, 2022	1,428.78

#### 2. For the year ended March 31, 2021

	₹ in lakhs
Balance as at April 1, 2020	1,428.78
Changes in share capital due prior period errors	-
Restated Balance as at April 1, 2020	1,428.78
Changes in share capital during the year	-
Balance as at March 31, 2021	1,428.78

### B. OTHER EQUITY

#### 1. For the year ended March 31, 2022

	Reserves and Surplus (₹ in lakhs)					
	Securities Premium	General Reserve	Statutory Reserve	Other Comprehensive Income	Retained Earnings	TOTAL
As at April 1, 2021	960.00	131.00	100.00	-	(2,539.60)	(1,348.60)
Profit/(loss) for the year					9.04	9.04
Other Comprehensive Income				-	-	-
As at March 31, 2022	960.00	131.00	100.00	-	(2,530.56)	(1,339.56)

#### 2. For the year ended March 31, 2021

	Reserves and Surplus (₹ in lakhs)					
	Securities Premium	General Reserve	Statutory Reserve	Other Comprehensive Income	Retained Earnings	TOTAL
As at April 1, 2020	960.00	131.00	100.00	-	(2,541.15)	(1,350.15)
Profit/(loss) for the year					1.55	1.55
Other Comprehensive Income				-	-	-
As at March 31, 2021	960.00	131.00	100.00	-	(2,539.60)	(1,348.60)

As per our report of even date

For **D K S K & Company**  
Chartered Accountants

**Kottakota Suresh Kumandan**  
Partner

For and on behalf of the Board

Sd/-  
**Somashekhar B. Malagi**  
Director  
DIN : 07626139  
Place: Mumbai

Sd/-  
**Rachana Trivedi**  
Company Secretary  
Place: Mumbai

Sd/-  
**Priyanka Oka**  
Director  
DIN: 08066379  
Place: Mumbai

Place: Mumbai  
Date: May 26, 2022

Place: Mumbai  
Date: May 26, 2022

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2022

### 1 CORPORATE INFORMATION

Essar Securities Limited ("the Company") is a listed public limited company incorporated on December 12, 2005. The company is engaged in business of rendering of consultancy and advisory services.

### 2 SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Basis of preparation

Compliance with Indian Accounting Standards (Ind AS)

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provision of the Act.

#### 2.2 Significant accounting judgements, estimates and assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The Company prepared its financial statements based on assumptions and estimates on parameters available at that time. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

#### Fair value measurement of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

#### 2.3 Foreign currency transactions

##### (i) Functional and presentation currency

The Company's financial statements are presented in INR, which is also the Company's functional currency.

**(ii) Transaction and balances**

Transactions in foreign currencies are initially recorded at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

**2.4 Revenue recognition**

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

**2.5 Income tax**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charges is calculated on the basis of the tax laws enacted at the end of the reporting period in India. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Current and deferred tax is recognised in profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Minimum Alternate Tax ('MAT') credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each Balance Sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

**2.6 Provisions, contingent liabilities and contingent assets**

Provisions are recognised when the Company has a present legal or constructive obligation, as a result of past events, and it is probable that an outflow of resources, that can reliably be estimated, will be required to settle such an obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognised in the statement of profit and loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

Contingent liabilities are not recognised but disclosed where the existence of an obligation will only be confirmed by future events or where the amount of the obligation cannot be measured reliably. Contingent assets are not recognised, but are disclosed where an inflow of economic benefits is probable.

## 2.7 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### (i) Financial assets

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit and loss.

Subsequent measurement of debt instruments depends on the Company's business model for managing the assets and the cash flow characteristics of the assets. There are three measurement categories into which the Company classifies its debt instruments;

**Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payment of principal and interest (SPPI) are measured at amortised cost. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

**Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payment of principal and interest (SPPI), are measured at fair value through other comprehensive income. Fair value movements are recognised in the other comprehensive income, except for the recognition of impairment gains or losses, interest income and foreign exchange gain and losses which are recognised in profit and loss. When the financial assets is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss. Interest income from these financial assets is included in other income using the effective interest rate method.

**Fair value through profit and loss (FVPL):** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. Debt instruments included within the FVPL category are measured at fair value with all changes recognized in the statement in profit and loss. Interest income from these financial assets is included in other income using the effective interest rate method.

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVPL. For all other equity instruments, the Company may classify the same either as at FVTOCI or FVPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

Equity instruments which are classified as FVOCI, all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment. However, the company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVPL category are measured at fair value with all changes recognised in the profit or loss.

### Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Company applies the 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in

credit risk. Rather, it recognise impairment loss allowance based on lifetime Expected Credit Losses"" (ECL) at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events on a financial instrument that are possible within 12 months after the reporting date. ECL is the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit or loss. This amount is reflected in a separate line in the profit or loss as an impairment gain or loss.

## (ii) Financial liabilities

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and trade and payables, net of directly attributable transaction costs. The measurement of financial liabilities depends on their classification, as described below: All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

### **Financial liabilities at fair value through profit or loss:**

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss. For liabilities designated as FVPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to profit or loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

### **Financial liabilities at amortized cost**

Financial liabilities classified and measured at amortised such as loans and borrowings, trade and other payable are initially recognized at fair value, net of transaction cost incurred. After initial recognition, financial liabilities are subsequently measured at amortised cost using the Effective interest rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

### **De-recognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or

modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

## **2.8 Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and in hand, short-term deposits with banks with original maturity of less than three months and short-term highly liquid investments, that are readily convertible into cash and which are subject to insignificant risk of changes in the principal amount. Bank overdrafts, which are repayable on demand and form an integral part of the operations are included in cash and cash equivalents.

## **2.9 Earnings per share**

Basic earnings per share are computed by dividing the profit / (loss) by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share are the profit / (loss) for the year after deducting preference dividends and attributable taxes attributable to equity shareholders. The weighted average number of equity shares outstanding during the year and for all years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the profit / (loss) for the year are adjusted for the effects of changes in income, expenses, tax and dividends that would have occurred had the dilutive potential equity shares been converted into equity shares. Such adjustments after taking account of tax include preference dividends or other items related to convertible preference shares, interest on convertible debt and any other changes in income or expense that would result from the conversion of dilutive potential ordinary shares. The weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.



**3. OTHER NON CURRENT ASSETS**

Particulars	As at March 31, 2022 ₹ in lakhs	As at March 31, 2021 ₹ in lakhs
(Unsecured, Considered Good)		
Income Tax Refundable / Tax Deducted at Source (Net of Provision for taxes)	9.81	7.28
<b>TOTAL</b>	<b>9.81</b>	<b>7.28</b>

**4. TRADE RECEIVABLES**

Particulars	As at March 31, 2022 ₹ in lakhs	As at March 31, 2021 ₹ in lakhs
Trade Receivables considered good - Unsecured	-	79.09
Trade Receivables which has significant increase in credit risk	-	-
<b>TOTAL</b>	<b>-</b>	<b>79.09</b>
<b>Note:</b>		
Ageing schedule of Trade Receivables		
Undisputed Trade Receivables considered good - Unsecured outstanding for the period 1-2 years	-	79.09
<b>TOTAL</b>	<b>-</b>	<b>79.09</b>

**5. CASH AND CASH EQUIVALENTS**

Particulars	As at March 31, 2022 ₹ in lakhs	As at March 31, 2021 ₹ in lakhs
Balances with Bank in Current Accounts	82.69	8.04
<b>TOTAL</b>	<b>82.69</b>	<b>8.04</b>

**6. OTHER CURRENT ASSETS**

Particulars	As at March 31, 2022 ₹ in lakhs	As at March 31, 2021 ₹ in lakhs
(Unsecured, considered good)		
Advances to vendors / others	0.30	0.15
<b>TOTAL</b>	<b>0.30</b>	<b>0.15</b>

**7. EQUITY SHARE CAPITAL**

Particulars	As at March 31, 2022 ₹ in lakhs	As at March 31, 2021 ₹ in lakhs
<b>Authorized Capital</b>		
15,000,000 (P.Y. 15,000,000) Equity Shares of ₹ 10 each	1,500.00	1,500.00
	<b>1,500.00</b>	<b>1,500.00</b>
<b>Issued, Subscribed &amp; Fully Paid up Capital</b>		
14,287,754 (P.Y. 14,287,754) Equity Shares of ₹ 10 each	1,428.78	1,428.78
<b>TOTAL</b>	<b>1,428.78</b>	<b>1,428.78</b>

**NOTES:**

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

	March 31, 2022		March 31, 2021	
	Numbers	₹ in lakhs	Numbers	₹ in lakhs
<b>Equity Shares</b>				
Balance at the beginning of the year	1,42,87,754	1,428.78	1,42,87,754	1,428.78
Issued during the year	-	-	-	-
Balance at the end of the year	1,42,87,754	1,428.78	1,42,87,754	1,428.78

- b. Details of shareholders holding more than 5% shares in the company :

	March 31, 2022		March 31, 2021	
	Numbers	%	Numbers	%
Vajresh Consultants Limited	32,09,343	22.46%	32,09,343	22.46%
Vipul Jayantilal Modi	-	0.00%	14,02,800	9.82%
Harsha Hitesh Javeri	11,30,000	7.91%	11,30,000	7.91%
Hitesh Ramji Javeri	10,00,011	7.00%	10,00,000	7.00%

- c. Rights, preferences and restrictions attached to shares: The company has one class of equity shares of face value 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.
- d. 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.
- e. disclosure of shareholding of promoters:

Shares held by the promoters at the end of the year	March 31, 2022		% change during the year
	No. of shares	% of total shares	
Promoter Name			
Vajresh Consultants Limited	32,09,343	22.46%	0.00%
<b>Total</b>	<b>32,09,343</b>	<b>22.46%</b>	<b>0.00%</b>

**8. OTHER EQUITY**

Particulars	As at March 31, 2022 ₹ in lakhs	As at March 31, 2021 ₹ in lakhs
<b>Securities Premium</b>		
Balance as per last balance sheet	960.00	960.00
<b>General Reserve</b>		
Balance as per last balance sheet	131.00	131.00
<b>Statutory Reserve</b>		
Balance as per last balance sheet	100.00	100.00
<b>Retained Earnings</b>		
Balance at the beginning of the year	(2,539.60)	(2,541.15)
Add: Profit/(loss) for the year	9.04	1.55
Balance at the end of the year	(2,530.56)	(2,539.60)
<b>TOTAL</b>	<b>(1,339.56)</b>	<b>(1,348.60)</b>

**9. TRADE PAYABLES**

Particulars	As at March 31, 2022 ₹ in lakhs	As at March 31, 2021 ₹ in lakhs
<u>Trade payables</u>		
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	1.51	2.26
<b>TOTAL</b>	<b>1.51</b>	<b>2.26</b>
<b>Note:</b>		
Ageing schedule of Trade Payables		
Undisputed - Others outstanding for the period less than 1 year	0.73	1.49
Undisputed - Others outstanding for the period 2-3 years	0.06	-
Undisputed - Others outstanding for the period 1-2 year	-	0.06
Unbilled dues	0.72	0.71
<b>TOTAL</b>	<b>1.51</b>	<b>2.26</b>

**10. OTHER CURRENT LIABILITIES**

Particulars	As at March 31, 2022 ₹ in lakhs	As at March 31, 2021 ₹ in lakhs
Statutory liabilities	0.65	0.01
Advances from others	1.42	12.11
<b>TOTAL</b>	<b>2.07</b>	<b>12.12</b>

**11. REVENUE FROM OPERATIONS**

Particulars	For the year ended March 31, 2022 ₹ in lakhs	For the year ended March 31, 2021 ₹ in lakhs
Consultancy Service income	25.35	23.00
<b>TOTAL</b>	<b>25.35</b>	<b>23.00</b>

**12. OTHER EXPENSES**

Particulars	For the year ended March 31, 2022 ₹ in lakhs	For the year ended March 31, 2021 ₹ in lakhs
Advertisement Expenses	1.74	1.64
AGM expenses	0.32	0.38
Bank Charges	0.01	0.01
Listing and Custodial Fees	3.85	3.55
Balances Written off	-	4.47
Audit fees	0.71	0.71
Fees on delayed filing for taxes	0.01	-
Postage, Printing and Stationary	2.59	2.74
Professional Fees	6.85	6.43
Rates and Taxes, filing Fees	0.11	1.17
Travelling and Conveyance Expenses	0.12	0.35
<b>TOTAL</b>	<b>16.31</b>	<b>21.45</b>

### 13. EARNINGS 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.

	March 31, 2022	March 31, 2021
Earnings [Profit/(Loss) after tax] (₹ in lakhs)	9.04	1.55
Weighted average number of equity shares for the purpose of calculating earnings per share	1,42,87,754	1,42,87,754
Basic & Diluted Earnings per share of face value of ₹ 10 each (₹)	0.06	0.01

14. The contingent liability in respect of income tax demand pending in appeal ₹ 11.15 Lakhs (P.Y. ₹ 11.15 Lakhs).

### 15. Related Party Disclosures:

There are no transactions with / due to or from related parties.

16. Presently, the company is engaged in the single business segment of consultancy and advisory services.

### 17. FINANCIAL INSTRUMENTS :

#### 1. Capital management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Company consists of net debt and total equity of the Company.

The Company is not subject to any externally imposed capital requirements. The Company's board of directors reviews the capital structure on an annual basis. The financial tie up for the company are long term in nature as it is in infrastructure business. Therefore all new capital requirements are duly discussed by the board of directors. The Company monitors its capital using gearing ratio, which is net debt divided to total equity. Net debt includes borrowings less cash and cash equivalents and other bank balances.

#### 2. Categories of financial instruments

₹ in lakhs

Particulars	As at March 31, 2022		As at March 31, 2021	
	Carrying amount	Fair values	Carrying amount	Fair values
<b>Financial assets</b>				
<b>Measured at amortised cost</b>				
Trade Receivables	-	-	79.09	79.09
Cash and Cash Equivalents	82.69	82.69	8.04	8.04
<b>Total financial assets carried at amortised cost</b>	<b>82.69</b>	<b>82.69</b>	<b>87.13</b>	<b>87.13</b>
<b>Financial liabilities</b>				
<b>Measured at amortised cost</b>				
Trade Payables	1.51	1.51	2.26	2.26
<b>Total financial liabilities measured at amortised cost</b>	<b>1.51</b>	<b>1.51</b>	<b>2.26</b>	<b>2.26</b>

#### 3. Financial risk management objectives

The Company's Corporate finance department monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyse the exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

#### 4. Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

##### Trade receivables

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of trade receivable and, where appropriate, credit guarantee insurance cover is purchased. The outstanding trade receivables are regularly monitored and appropriate action is taken for collection of overdue trade receivables.

### Cash and bank balances

The credit risk on liquid funds and other bank deposits is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

### 5. Liquidity risk management

Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. Ultimate responsibility for liquidity risk management rests with the board of directors. The Company manages liquidity risk by maintaining reserves and banking facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the Company's remaining contractual maturity for its financial liabilities with agreed repayment periods and its financial assets. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Particulars	As at March 31, 2022				As at March 31, 2021			
	< 1year	1-5 years	> 5 years	Total	< 1year	1-5 years	> 5 years	Total
₹ in lakhs								
<b>Financial assets</b>								
Trade Receivables	-	-	-	-	79.09	-	-	79.09
Cash and Cash Equivalents	82.69	-	-	82.69	8.04	-	-	8.04
<b>Total financial assets</b>	<b>82.69</b>	<b>-</b>	<b>-</b>	<b>82.69</b>	<b>87.13</b>	<b>-</b>	<b>-</b>	<b>87.13</b>
<b>Financial liabilities</b>								
Trade Payables	1.51	-	-	1.51	2.26	-	-	2.26
<b>Total financial liabilities</b>	<b>1.51</b>	<b>-</b>	<b>-</b>	<b>1.51</b>	<b>2.26</b>	<b>-</b>	<b>-</b>	<b>2.26</b>

### 18. DISCLOSURE OF RATIOS APPLICABLE TO THE COMPANY:

Ratio	Numerator	Denominator	Year ended March 31, 2022	Year ended March 31, 2021	% Variance	Reason for Variance
Current Ratio	Current Assets	Current Liabilities	23.18	6.07	282%	Payment of Current Liabilities
Return on Equity	Net Profit After Taxes	Average Shareholders' Equity	10.7%	2.0%	447%	Increase in Net Profit
Trade Receivables Turnover Ratio	Since the trade receivable pertains to period earlier than 2021, this ratio is not calculated					
Trade Payables Turnover Ratio	Other Expenses	Average Trade Payables	8.65	6.93	25%	Reduction in other expenses
Net Capital Turnover Ratio	Revenue	Average Working Capital	0.33	0.32	5%	Increase in Revenue and Reduction in other expenses
Net Profit Ratio	Net Profit	Revenue	35.7%	6.7%	429%	Increase in Net Profit and Revenue
Return on Capital Employed	Earnings Before Taxes	Capital Employed	9.7%	1.6%	494%	Increase in Profit before tax

As per our report of even date

For **D K S K & Company**  
Chartered Accountants

**Kottakota Suresh Kumandan**  
Partner

Place: Mumbai  
Date: May 26, 2022

For and on behalf of the Board

Sd/-  
**Somashekhar B. Malagi**  
Director  
DIN : 07626139  
Place: Mumbai

Sd/-  
**Rachana Trivedi**  
Company Secretary  
Place: Mumbai

Place: Mumbai  
Date: May 26, 2022

Sd/-  
**Priyanka Oka**  
Director  
DIN: 08066379  
Place: Mumbai

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**ESSAR SECURITIES LIMITED**

CIN: L65990TN2005PLC071791

**Regd. Office:** New No. 77/56, C. P. Ramaswamy Road, Abhiramapuram, Chennai 600 018, Tamil Nadu**Tel:** +91 44 24995340 | **Website:** <https://www.essar.com/investors/essar-securities-limited/>**FORM NO. MGT-11 – PROXY FORM**

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

**17<sup>th</sup> Annual General Meeting – Monday, July 18, 2022**

Name of the Member(s):	
Registered Address:	
E-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 17<sup>th</sup> Annual General Meeting of the Company to be held on Monday, July 18, 2022 at 11:00 a.m at Sabari Grand, 29, Thirumalai Road, T. Nagar, Chennai – 600 017 and at any adjournment thereof in respect of such resolutions as are indicated below:

S. No.	Resolution	For	Against
<b>Ordinary Business</b>			
1.	To consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2022 and the reports of the Board of Directors ("the Board") and auditors thereon.		
2.	To appoint a director in place of Ms. Priyanka Oka (DIN: 08066379), who retires by rotation and, being eligible, seeks reappointment:		
3.	Appointment of M/s. A. P. Rajagopalan & Co., Chartered Accountants, as statutory auditors of the Company		
<b>Special Business</b>			
4.	Re-appointment of Mr. Somashekhar Basavaraj Malagi (DIN: 07626139) as an Independent Director		

Signed this ..... day of ..... 2022

Signature of Shareholder .....

**AFFIX  
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.

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**ESSAR SECURITIES LIMITED**

CIN: L65990TN2005PLC071791

**Regd. Office:** New No. 77/56, C. P. Ramaswamy Road, Abhiramapuram, Chennai 600 018, Tamil Nadu**Tel:** +91 44 24995340 | **Website:** <https://www.essar.com/investors/essar-securities-limited/>**17<sup>th</sup> Annual General Meeting – Monday, July 18, 2022****ATTENDANCE SLIP**

<b>Folio Number / DP ID / Client ID</b>	
<b>Name and Address of the Shareholder(s) / Proxy</b>	
<b>Joint Holder 1</b>	
<b>Joint Holder 2</b>	
<b>Number of Shares</b>	

I/we certify that I/we am/are registered shareholder / proxy / representative for the registered shareholder of the Company.

I/we hereby record my/our presence at the 17th Annual General Meeting of the Company held on Monday, July 18, 2022 at 11:00 a.m. at Sabari Grand, 29, Thirumalai Road, T. Nagar, Chennai – 600 017, Tamil Nadu.

<b>Name of the Shareholder (IN BLOCK CAPITALS)</b>	<b>Signature of the Shareholder/Proxy</b>

**Note:**

Please fill and sign the Attendance Slip and hand it over at the Attendance Verification Counter at the ENTRANCE OF MEETING HALL.

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## ESSAR SECURITIES LIMITED

CIN: L65990TN2005PLC071791

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

**Tel:** +91 44 24995340 | **Website:** <https://www.essar.com/investors/essar-securities-limited/>

### E - MAIL REGISTRATION

To

**M/s Data Software Research Company Private Limited**

#19 Pycroft Garden Road,  
Off Haddows Road,  
Nungambakkam,  
Chennai 600006, 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 Annual General Meeting and other General Meeting notices and explanatory statement(s) thereto, Balance Sheet, Director's Report, and Auditor's Report, 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 1<sup>st</sup> Registered Holders\*** :

**Name of Joint Holder(s)** :

**Address** :

**Pin Code** :

**E-mail ID (to be registered)\*** :

**Contact Tel Nos.** : **Mobile**  
**Landline**

**Date** **Signature of first holder\***

#### **Important Notes:**

1. Field marked\* are mandatory for registration of the e-mail ID.
2. On registration, all the communications will be sent to the e-mail ID registered in the folio
3. Any change in email ID, from time to time, may please be registered in the records of the Company.

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ROUTE MAP TO 17<sup>TH</sup> ANNUAL GENERAL MEETING





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[illegible]

## REGISTERED POST/COURIER

If undelivered, please return to:

**Data Software Research Company Private Limited**

(Unit: Essar Securities Limited)

19, Pycrofts Garden Road, Off Haddows Road

Nungambakkam, Chennai - 600 006

Tel: (044) 2821 3738, 2821 4487, Fax: (044) 2821 4636