

Essar Capital Limited

Annual Report 2014 - 15



BOARD OF DIRECTORS

(As on August 17, 2015)

Mr. Neeraj Gupta
 Mr. Shishir Agarwal
 Mr. S. Shankaranarayanan
 Mr. Ramakrishnan Parthasarathy

AUDITORS

Nisar & Kumar
 Chartered Accountants,
 1305, Arcadia Building,
 Near Earnest House,
 NCPA Marg, Nariman Point,
 Mumbai - 400 021

BANKERS

ING Vysya Bank
 Standard Chartered Bank
 Axis Bank

REGISTERED OFFICE:

Chennai House, 5th Floor,
 New No. 7, Esplanade,
 Chennai - 600 108
 Tamil Nadu

CORPORATE OFFICE

Essar House,
 11, K. K. Marg,
 Mahalaxmi, Mumbai - 400 034
 Maharashtra
 Tel. : +91-22 -66601100
 Fax : +91-22 -66669432
 Visit us : www.essar.com

REGISTRAR AND TRANSFER AGENT

Data Software and Research Co. Pvt. Ltd.
 19, Pycrofts Garden Road, Off: Haddows Road,
 Nungambakkam, Chennai – 600 006
 Tamil Nadu
 Tel. : +91-44-45105120, +91-44-28213738,
 +91-44-28214487
 Fax : +91-44-28214636
 Email : support@dsrc-cid.in

CONTENTS	
	Page No.
Notice	2
Director's Report	5
Independent Auditors' Report	12
Balance Sheet	16
Statement of Profit and Loss Account	17
Cash Flow Statement	18
Notes to the Accounts	19
Independent Auditors' Report on Consolidated Financial Statements	28
Consolidated Balance Sheet	30
Consolidated Statement of Profit and Loss Account	31
Consolidated Cash Flow Statement	32
Consolidated Notes to the Accounts	33
Proxy Form	43
Attendance Slip	45
Email Registration Form	47

NOTICE

NOTICE is hereby given that the 8th Annual General Meeting of the Members of Essar Capital Limited will be held on Wednesday, 30th September, 2015 at 1:00 p.m. at Essar House, 5th floor, 7, Esplanade, Chennai 600 108, Tamil Nadu to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt:
 - (a) the Audited Balance Sheet as at March 31, 2015, the Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors and Auditors thereon; and
 - (b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2015.
2. To appoint a Director in place of Mr. S. Shankaranarayanan (DIN 00005332), who retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.
3. To appoint Nisar & Kumar, Chartered Accountants, (Firm Registration number 127820W), retiring Auditors of the Company who are eligible for re-appointment, to hold office as such from the conclusion of this 8th Annual General Meeting (AGM) till the conclusion of the 13th AGM of the Company to be held for the financial year ending on 31st March, 2020, subject to the ratification every year by the members of the Company in the AGM, and to fix their remuneration.

By Order of the Board

For Essar Capital Limited

Date : August 17, 2015
Place : Mumbai

Director

Registered Office:

Chennai House, 5th Floor,
New No 7, Esplanade,
Chennai 600 018, Tamil Nadu

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXY(IES) TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.**

A person can act as proxy on behalf of Members not exceeding fifty (50) and holding aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent of the total share capital of the Company carrying voting

rights may appoint a single person as proxy and such other person shall not act as a proxy for any other person or shareholder.

2. The instrument(s) appointing the proxy shall be deposited at the Registered Office of the Company, duly completed in all respects, not less than Forty Eight (48) hours before the commencement of the Meeting and in default, the instrument of proxy shall be treated as invalid. Proxies shall not have any right to speak at meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from September 23, 2015, to September 30, 2015, (both days inclusive).
4. Members/ Proxies should bring their attendance slips along with their copy of the Annual Report to the Meeting. Corporate Members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution/ Power of Attorney authorizing their representative to attend and vote on their behalf at the Meeting.
5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of name will be entitled to vote.
6. Members holding shares in Physical form are requested to notify any changes in their address to the Company's Registrar and Transfer Agents (R&T Agent) i.e. Data Software Research Co. Pvt. Ltd., 19 Pycroft Garden Road, Off Haddows Road, Nungambakkam, Chennai 600006, Tamilnadu and email id is support@dsr-cid. in for redressal of any queries regarding shares of the Company held in physical form. For shares held in demat form, change in address or bank mandate may please be intimated to the Depository Participant where demat account is maintained.
7. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communications including Annual Report, Notices etc., from the Company electronically.
8. Members who hold shares in dematerialised form are requested to bring their client ID and DP ID for easy identification of attendance at the meeting.
9. Members desiring any information as regard the accounts of the Company may sent their queries at least 7 days before the date of the meeting as to enable the management to keep the information ready.
10. DIN refers to Director Identification Number.

11. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to DSRC, for consolidation into a single folio for better services.
12. Information and other instructions relating to the remote e-voting:
 - (a) In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be passed in the 8th Annual General Meeting (AGM) by electronic means. The members may cast their votes using an electronic voting system from a place other than the venue of the meeting ('remote e-voting').
 - (b) The Company has engaged the services of Central Depository Services (India) Limited (CDSL) as agency to provide e-voting facility.
 - (c) The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to vote at the Meeting through ballot papers.
 - (d) The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.
 - (e) The remote e-voting shall commence on Friday, 25th September 2015 (10.00 a.m.) and ends on Tuesday, 29th September, 2015 (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. Wednesday, 23rd September 2015 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) 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. Wednesday, 23rd September 2015.
 - (g) A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date, i.e. Wednesday, 23rd September 2015 only shall be entitled to avail the facility of remote e-voting and voting at Meeting through ballot papers.
 - (h) The Board of Directors of the Company has appointed CS Manish Baldeva, (Membership

No. FCS 6180) Prop. M/s. M Baldeva Associates, Company Secretaries as Scrutinizer to scrutinize the voting through ballot paper and remote e-voting process in a fair and transparent manner.

- (i) The Scrutinizer, after scrutinizing the votes cast at the meeting through ballot paper and through remote e-voting, will, not later than 3 days of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company viz. www.essar.com and on the website of the CDSL viz. www.evotingindia.com.
- (j) Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting i.e. Wednesday, 30th September 2015.

The instructions for members for voting electronically are as under:-

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

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two

	<p>letters of their name and the 8 digits of the sequence number in the PAN field.</p> <ul style="list-style-type: none"> In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the Essar Capital Limited on which you choose to vote.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xviii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

By Order of the Board

For **Essar Capital Limited**

Date : August 17, 2015

Place : Mumbai

Director

Registered Office:

Chennai House, 5th Floor,
New No 7, Esplanade,
Chennai 600 018, Tamil Nadu

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting the 8th Annual Report of your Company together with Audited Annual Accounts for the year ended March 31, 2015.

FINANCIAL RESULTS:

Particulars	For the period ended on March 31, 2015 (in ₹)	For the period ended on March 31, 2014 (in ₹)
Revenue from Operation	3,00,000	1,00,000
Other Income	25,459	9,67,323
Total	3,25,459	1,067,323
Less: Total Expenses	37,76,606	12,843,665
Profit/ (Loss) before tax	(34,51,147)	(11,776,342)
Less: Current Tax (Including tax for earlier year)	(2,87,64,043)	-
Profit / (Loss) After tax	(3,22,15,190)	(11,776,342)

PERFORMANCE:

During the period under review your company has made a loss of ₹ 34,51,147 before making provision for Income tax amounting to ₹ 2,87,64,043 for the current year (Including tax for earlier year), thus a net debit balance of ₹ 3,22,15,190 has been transferred to Profit & Loss A/c for the current period and thus an amount of ₹ 68,54,90,952 has been carried over.

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

RESERVES:

No amount is transferred to reserves during the financial year under review.

DIVIDEND:

In view of the accumulated losses, the Board of Directors do not recommend any Dividend for the financial year under review.

MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE ENDS OF THE FINANCIAL YEAR TO WHICH THESE FINANCIAL STATEMENT RELATE AND THE DATE OF THE REPORT:

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 on the date of this report.

TRANSFER OF AMOUNT TO INVESTOR EDUCATION AND PROTECTION FUND:

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

DIRECTORS:

(a) Retirement by rotation:

In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Mr. S. Shankaranarayanan, Director retires by rotation and being eligible has offered himself re-appointment. Mr. Neeraj Gupta, Mr. Shishir Agarwal and Mr. Ramakrishnan Parthasarathy continues to be directors of your Company.

(b) Declaration from Independent Directors:

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013.

(c) Key Managerial Personnel:

Section 203 of the Companies Act, 2013 is not applicable to the Company.

DIRECTORS' RESPONSIBILITY STATEMENT:

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

- (i) in the preparation of the annual accounts for the financial year ended 31st March, 2015, the applicable accounting standards had been followed along with proper explanation relating to material departures, wherever applicable;
- (ii) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 31st March, 2015 and of the profit and loss of the Company for that period;
- (iii) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- (iv) the directors had prepared the accounts for the financial year ended 31st March, 2015 on a going concern basis; and
- (v) the directors has laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

CORPORATE SOCIAL RESPONSIBILITY:

The relevant provisions are not applicable to the Company.

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

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

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SECTION 188(1) OF THE COMPANIES ACT, 2013:

All Related Party Transactions that were entered into during the financial year were on arm's length basis and in the ordinary course of business and were in compliance with the applicable provisions of the Companies Act, 2013. Suitable disclosures as required under Accounting Standard-18 have been made in Note 25 of the notes to the Financial Statements.

Details of material related party transactions are given in the prescribed Form AOC - 2 and is appended to this report as **Annexure A**.

EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS:

There was no qualifications, reservations or adverse remarks made by the Statutory Auditors in their report.

DEPOSITS:

The Company has neither invited nor accepted any deposits from the public during the year. There are no unclaimed deposit(s) lying with the Company as on March 31, 2015.

AUDITORS:

Nisar & Kumar, Chartered Accountants, Statutory Auditors of the Company, hold office till the conclusion of the ensuing Annual General Meeting of the Company and are eligible for re-appointment. The Company has received a letter from them to the effect that they are willing to continue as Statutory Auditors and if re-appointed, their re-appointment would be within limits prescribed under Section 139 of the Companies

Act, 2013 and they are not disqualified from being appointed as Auditors. Pursuant to the provisions of section 139 of the Companies Act, 2013 and the rules thereunder, it is proposed to appoint Nisar & Kumar, Chartered Accountants (Firm Registration number 127820W) as Statutory Auditors of the Company to hold office as such from the conclusion of the 8th Annual General Meeting up to the conclusion of the 13th Annual General Meeting to be held in the year 2020, subject to ratification of their appointment at the every Annual General Meeting.

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

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

HOLDING COMPANY:

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

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

During the year under review Essar Securities Limited continues to be the Subsidiary Company of your Company.

CONSOLIDATED FINANCIAL STATEMENTS:

The Company has one subsidiary as on March 31, 2015. There are no associate companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act") and joint ventures of the Company. There has been no material change in the nature of the business of the subsidiary.

Pursuant to provisions of Section 129(3) of the Act, a statement containing salient features of the financial statements of the Company's subsidiary in Form AOC-1 is attached to the financial statements of the Company.

MEETINGS OF THE BOARD:

The Board of Director duly met five times during the year. The intervening gap between the two consecutive meetings was within the period prescribed under the Companies Act, 2013.

The dates on which the meetings were held are as follows:

- i) 12th May, 2014
- ii) 13th August, 2014
- iii) 24th November, 2014

- iv) 8th January, 2015
- v) 27th March, 2015

AUDIT COMMITTEE:

The Audit Committee consists of the following members:-

- A. Mr. Neeraj Gupta
- B. Mr. Shishir Agarwal
- C. Mr. R.P. Sarathy

The above composition of the Audit Committee consists of independent Directors viz., Mr. Shishir Agarwal and Mr. R. P. Sarathy, who form the majority.

The Audit Committee of the Company reviews the reports to be submitted to the Board of Directors with respect to auditing and accounting matters. It also supervise the Company's internal controls and financial reporting process.

MANAGERIAL REMUNERATION AND OTHER DETAILS:

Since no director is paid any remuneration, your directors have nothing to report with respect to details / disclosure as required under Section 197(12) of the Companies Act, 2013, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

EXTRACT OF ANNUAL RETURN:

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

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS:

No Significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and future operations of the Company.

RISK MANAGEMENT POLICY:

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

INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS:

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

EMPLOYEES STOCK OPTION PLAN:

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

ACKNOWLEDGEMENTS:

The Board wishes to place on record their gratitude for the co-operation and assistance received from the banks and shareholders and thank them for their continued support.

For and on behalf of the Board

Place : Mumbai
Date : August 17, 2015

Sd/-
Director

Sd/-
Director

Form No. AOC - 2

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

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

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

The Company has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during the financial year 2014-15.

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

Sr. No.	Particulars	Details
a)	Name(s) of the related party and nature of relationship	Enterprises controlled or significantly influence by individual or relative: Imperial Consultants and Securities Private Limited
b)	Nature of contracts/arrangements/transactions	Providing Consultancy Services
c)	Duration of the contracts / arrangements/ transactions	3 years
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Providing Consultancy Services: Imperial Consultants and Securities Private Limited - not exceeding ₹ 10 Lacs p.a.
e)	Date of approval by the Board	27 th March, 2015
f)	Amount paid as advances, if any	NIL

For **Essar Capital Limited**

Director

Form No. MGT-9
Extract of Annual Return

(As on the financial year ended on 31st March, 2015)

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

I. REGISTRATION AND OTHER DETAILS:

1.	CIN	U65923TN2007PLC085016
2.	Registration Date	30/01/2007
3.	Name of the Company	Essar Capital Limited
4.	Category/Sub-Category of the Company	Company limited by shares
5.	Address of the Registered office and contact details	Chennai House, 5 th Floor, New No.7, Esplanade, Chennai 600 108, Tamil Nadu
6.	Whether listed Company (Yes/No):-	No
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Data Software Research Company Pvt. Ltd. Unit : Essar Securities Limited 19 Pycrofts Garden Road Off : Haddows Road Nungambakkam Chennai 600006, India Phone : +91 44 4510 5120, +91-44-2821 3738, Fax : +91 44 2821 4636 Email. : support@dsrc-cid.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

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

Sr. No.	Name and address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
1.	Essar Satvision Limited, Chennai House, 5th Floor, 7, Esplanade, Chennai – 600108, Tamil Nadu	U64200TN2008PLC089703	Holding	92.26	2(46)
2.	Essar Securities Limited, 56, New No. 77, C. P. Ramaswamy Road, Abhiramapuram, Chennai 600 018, Tamil Nadu	L65990TN2005PLC071791	Subsidiary	74.92	2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

I. Category-wise Share Holding

Category of shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1. Indian									
a. Individual/ HUF	0	0	0	0	0	0	0	0	0
b. Central Govt.	0	0	0	0	0	0	0	0	0
c. State Govt.	0	0	0	0	0	0	0	0	0
d. Bodies Corp.	41206	10532691	10573897	92.26	41206	10532691	10573897	92.26	0
e. Bank/ FI	0	0	0	0	0	0	0	0	0
f. Any Other(Specify)	0	0	0	0	0	0	0	0	0
Sub-total (A) (1):-	41206	10532691	10573897	92.26	41206	10532691	10573897	92.26	0
2. Foreign									
a. NRI- Individual	0	0	0	0	0	0	0	0	0
b. Other Individuals	0	0	0	0	0	0	0	0	0
c. Body Corporate	0	0	0	0	0	0	0	0	0
d. Bank/ FI	0	0	0	0	0	0	0	0	0
e. Any Others	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0
Total Share Holders of Promoters (A1+A2)	41206	10532691	10573897	92.26	41206	10532691	10573897	92.26	0
B. Public Shareholding									
1. Institution									
a. Mutual Funds	0	150	150	0.00		150	150	0.00	0
b. Bank/FI	90	1677	1767	0.02	90	1677	1767	0.02	0
c. Central Govt.	0	0	0	0	0	0	0	0	0
d. State Govt.	0	0	0	0	0	0	0	0	0
e. Venture Capital	0	0	0	0	0	0	0	0	0
f. Insurance Co.	0	0	0	0	0	0	0	0	0
g. FIs	0	0	0	0	0	0	0	0	0
h. Foreign Portfolio Corporate	0	0	0	0	0	0	0	0	0
i. Foreign Venture Capital Fund	0	0	0	0	0	0	0	0	0
j. Others	0	0	0	0	0	0	0	0	0
Sub-Total –B (1)	90	1827	1917	0.02	90	1827	1917	0.02	0
2. Non-Institutions									
a. Body Corp.	8507	42862	51369	0.45	8515	42847	512018	0.45	0
b. Individual									
i. Individual shareholders holding nominal share capital upto ₹ 1 lakh	249769	453338	703107	6.13	253983	449354	703337	6.14	(0.01)
ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	0	0	0	0	0	0	0	0	0
c. Others									
(i) NRI	28651	100628	129279	1.13	28623	100433	215295	1.13	0
(ii) Non Domestic Companies	0	1545	1545	0.01	0	1545	1545	0.01	0
Sub-total B (2)	286927	598373	885300	7.72	291121	594179	885300	7.72	0
Net Total (B1+B2)	287017	600200	887217	7.74	291211	596006	887217	7.74	0
C. Shares held by Custodians for GDR's and ADRs									
	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	328223	11132891	11461114	100.00	332417	11128697	11461114	100.00	

ii. Shareholding of Promoters and Promoters group:

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in shareholding during the year
		No. of Shares	% of total shares of the company	% of shares Pledged/ encumbered to total shares	No. of Shares	% of total shares of the company	% of shares Pledged/ encumbered to total shares	
1	Essar Satvision Limited	10573897	92.26	–	10573897	92.26	–	0
	Total	10573897	92.26	–	10573897	92.26	–	0

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

There are no changes in the promoters' shareholding during the financial year 2014-15.

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

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year 01.04.2014		Date	Increase/ decrease in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2014-31.03.2015)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1	VIPUL SECURITIES LTD	39390	0.34	01.04.2014			39390	0.34
				31.03.2015	30	Purchased	39420	0.34
2	DIPTI K SOMAIYA	2502	0.02	01.04.2014			2502	0.02
				31.03.2015			2502	0.02
3	NISHANT RATILAL BHUVA	2488	0.02	01.04.2014			2488	0.02
				31.03.2015			2488	0.02
4	NAVODAY MANAGEMENT SERVICES LIMITED	2340	0.02	01.04.2014			2340	0.02
				31.03.2015			2340	0.02
5	MUKTABEN R BHUVA	1888	0.02	01.04.2014			1888	0.02
				31.03.2015			1888	0.02
6	RADIANT TRAFIN PRIVATE LIMITED	1759	0.02	01.04.2014			1759	0.02
				31.03.2015			1759	0.02
7	RANJANA HEMANT AGARWAL	1687	0.01	01.04.2014			1687	0.01
				31.03.2015			1687	0.01
8	ALEN CO-OPERATIVE BANK LTD	1530	0.01	01.04.2014			1530	0.01
				31.03.2015			1530	0.01
9	INDIRA K A	1341	0.01	01.04.2014			1341	0.01
				31.03.2015			1341	0.01
10	PORT FOLIO MANAGEMENT & SERVICES LTD	1125	0.01	01.04.2014			1125	0.01
				31.03.2015			1125	0.01

V. Shareholding of Directors and Key Managerial Personnel:

Shareholding of Directors are Nil during the financial year 2014-15.

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment for the financial year 2014-15 are NIL.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:-

The Directors did not drawn any remuneration from the Company during the financial year 2014-15.

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:-

There were no Penalties / Punishment / Compounding of Offences for the financial year ended March 31, 2015.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ESSAR CAPITAL LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **ESSAR CAPITAL LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

Auditors' Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143 (3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid 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, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) 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 21 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.

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

Place : Mumbai
Date : August 17, 2015

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

ANNEXURE REFERRED TO IN PARAGRAPH 1 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' OF OUR REPORT TO THE MEMBERS OF ESSAR CAPITAL LIMITED OF EVEN DATE FOR THE YEAR ENDED MARCH 31, 2015

- (i) (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The fixed assets have been physically verified by the management at reasonable intervals; and no material discrepancies were noticed on such verification;
- (ii) The company does not have inventory other than stock on hire purchase and hence reporting on the clauses (ii) (a), ii (b) and ii (c) do not arise.
- (iii) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business for the rendering of services. During the course of our audit we have not observed any continuing failure to correct major weaknesses in internal control system.
- (v) In our opinion and according to the information and explanations given to us, during the year the company has not accepted any deposits from the public within the meaning of the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.
- (vi) As informed to us, maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.
- (vii) (a) According to the records of the company, the company is generally regular in deposit of dues of Provident Fund, however there were delays in deposit of dues of Income Tax with the appropriate authorities. As per the records of the company there are no dues in respect of employees state insurance, duty of customs, wealth tax, sales tax, value added tax, duty of excise and cess. The arrears of statutory dues of Income Tax of ₹ 134,949, Profession Tax of ₹ 14,800 and Service Tax of ₹ 49,131 as at March 31, 2015 were outstanding for a period of more than six months from the date they became payable.
- (b) According to the records of the company, there are no dues of wealth tax or service tax or duty of customs or duty of excise or value added tax or cess which have not been deposited on account of dispute. The details of Income Tax and Sales Tax, which have not been deposited on account of dispute are as under:

Nature of Liability	Statute	Amount (₹ Lakhs)	Period	Authorities before which pending dispute
Sales tax (lease tax)	Rajasthan Sales Tax Act	25.56	F.Y. 1994-1995 to F.Y. 1999-2000	Sales Tax Authorities, Jaipur
Income Tax	Income Tax Act, 1961	13.21	A.Y. 2000-01	ITAT – Mumbai
		54.78	A.Y. 2007-08	ITAT – Mumbai
		634.99	A.Y. 2000-01 to A.Y. 2003-04	CIT (TDS) Appeal – Mumbai

- (c) According to the records of the company, there are no amounts required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
- (viii) The accumulated losses of the company are more than fifty percent of the net worth of the company at the end of the financial year and the company has incurred cash losses during the financial year covered by our audit and also in the immediately preceding financial year.

- (ix) As the company has not borrowed any amount from Bank or Financial Institution, debenture holders, the reporting under this clause do not arise.
- (x) According to the records of the company, during the year the company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) According to the records of the company, during the year the company has not taken any term loan.
- (xii) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

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

Place : Mumbai
Date : August 17, 2015

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

BALANCE SHEET AS AT MARCH 31, 2015

	Note No.	As at March 31, 2015 ₹	As at March 31, 2014 ₹
EQUITY AND LIABILITIES			
Shareholders' Funds			
(a) Share Capital	2	11,461,114	11,461,114
(b) Reserves and Surplus	3	(685,490,952)	(653,275,762)
		(674,029,838)	(641,814,648)
Non Current Liabilities			
(a) Long Term Borrowings	4	24,301,085,000	24,301,085,000
(b) Long Term Provisions	5	–	8,463
		24,301,085,000	24,301,093,463
Current Liabilities			
(a) Trade Payables	6	1,408,138	5,284,432
(b) Other Current Liabilities	7	3,436,438	3,197,055
(c) Short Term Provisions	8	–	22,496,250
		4,844,576	30,977,737
TOTAL		23,631,899,738	23,690,256,552
ASSETS			
Non Current Assets			
(a) <u>Fixed Assets</u>			
Tangible Assets	9	74,911,083	76,115,282
(b) Non Current Investments	10	23,460,174,590	23,460,174,590
(c) Long Term Loans and Advances	11	79,833,175	136,926,926
		23,614,918,848	23,673,216,798
Current Assets			
(a) Trade Receivables	12	1,262,700	992,700
(b) Cash and Cash Equivalents	13	1,273,500	2,629,098
(c) Short Term Loans and Advances	14	14,444,690	13,417,956
		16,980,890	17,039,754
TOTAL		23,631,899,738	23,690,256,552

Significant Accounting Policies 1
(Notes forms an integral part of the accounts)

As per our report of even date

For **Nisar & Kumar**
Chartered Accountants

K. M. Mahadik
Partner

Place : Mumbai
Date : August 17, 2015

For and on behalf of the Board

Director

Director

Place : Mumbai
Date : August 17, 2015

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015

	Note No.	For the year ended March 31, 2015 ₹	For the year ended March 31, 2014 ₹
INCOME:			
Revenue from operations	15	300,000	100,000
Other Income	16	25,459	967,323
Total Income		<u>325,459</u>	<u>1,067,323</u>
Expenses:			
Employee Benefits Expense	17	608,870	540,785
Finance Costs	18	-	887,933
Depreciation	9	1,204,199	1,176,346
Other expenses	19	1,963,537	10,238,601
Total Expenses		<u>3,776,606</u>	<u>12,843,665</u>
Profit / (loss) before tax		(3,451,147)	(11,776,342)
Tax expense:			
Current tax (tax adjustments for earlier years)		(28,764,043)	-
Profit / (Loss) after tax		<u>(32,215,190)</u>	<u>(11,776,342)</u>
Basic and diluted earnings per share of face value of ₹ 1 each	20	(2.81)	(1.03)
Significant Accounting Policies	1		

(Notes forms an integral part of the accounts)

As per our report of even date

For **Nisar & Kumar**
Chartered Accountants

K. M. Mahadik
Partner

Place : Mumbai
Date : August 17, 2015

For and on behalf of the Board

Director

Director

Place : Mumbai
Date : August 17, 2015

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

	For the year ended March 31, 2015 ₹	For the year ended March 31, 2014 ₹
Cash Flow from Operating Activities		
Profit/(Loss) before Tax	(3,451,147)	(11,776,342)
Adjustment for:		
Interest income	(23,137)	(64,550)
Depreciation	1,204,199	1,176,346
Balances written off	8,365	1,065,593
Operating Cash Flow before Working Capital Changes	(2,261,720)	(9,598,953)
Adjustment for:		
(Increase)/Decrease in receivables	4,549,896	2,785,355
Increase/(Decrease) in payables	(3,636,911)	352,403
Cash used in Operations	(1,348,735)	(6,461,195)
Less:- Income Tax Refund / (paid) [net]	(30,000)	7,449,459
Net Cash (used in) / generated from Operating Activities	(1,378,735)	988,264
Cash Flow from Investing Activities		
Interest received	23,137	29,762,731
Purchase of investments	-	(1,233,700,000)
Net Cash generated from / (used in) Investing activities	23,137	(1,203,937,269)
Net Increase / (Decrease) in Cash and cash equivalents	(1,355,598)	(1,202,949,005)
Cash and cash equivalents at the beginning of the year	2,629,098	1,205,578,103
Cash and cash equivalents at the end of the year	1,273,500	2,629,098

Note:

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

As per our report of even date

For **Nisar & Kumar**
Chartered Accountants

K. M. Mahadik
Partner

Place : Mumbai
Date : August 17, 2015

For and on behalf of the Board

Director

Director

Place : Mumbai
Date : August 17, 2015

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2015

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of Accounting :

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

1.2 Revenue recognition:

Consultancy income is recognised for the services rendered as per the terms of contracts.

Dividend is recognised on right to receive basis.

Interest is recognised on time accrual basis.

1.3 Investments:

Long term investments are stated at cost. Cost includes incidental cost of acquisition. The decline in value of investments other than of temporary nature is provided for in profit and loss account.

1.4 Taxation:

The provision for current tax, if any is computed in accordance with the relevant tax regulation. Deferred tax is recognised on timing differences between accounting and taxable income for the year by applying applicable tax rates as per Accounting Standard 22 on 'Accounting for taxes on Income'. Deferred Tax Asset is recognised wherever there is virtual certainty that future taxable income will be available against which such deferred tax asset can be realised.

1.5 Foreign Currency Transactions:

Transactions in foreign currencies are recorded at the original rate of exchange in force at the time of occurrence of the transactions. Monetary items of current assets and liabilities denominated in foreign currency are translated at year end rates. The exchange gain or loss arising on translation or settlement of balances is charged to statement of profit and loss.

1.6 Borrowing Costs:

Borrowing costs related to qualifying assets in the course of acquisition upto the date of commissioning is added to cost of fixed assets. Other borrowing costs are charged to statement of profit and loss.

1.7 Depreciation:

Depreciation is provided on straight-line basis at the rates prescribed under Schedule II of the Companies Act, 2013 on pro rata basis from the date of addition or till the date of deletion.

The impairment of fixed assets is reviewed as per Accounting Standard 28 " Impairment of Fixed Assets".

1.8 Fixed Assets:

Fixed assets are recorded at cost or valuation less depreciation. Cost includes purchase cost together with all incidental costs of acquisition and installation.

1.9 Retirement Benefits:

a) Gratuity liability is funded and recognised on projected unit credit actuarial method.

b) Compensated absences are recognised on projected unit credit actuarial method.

c) Contribution to Provident Fund which is a fixed percentage of the eligible employees' salary is charged to Statement of Profit and Loss and funded with Government Provident Fund.

1.10 Contingent Liabilities and Provisions:

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

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

2. SHARE CAPITAL

Particulars	As at March 31, 2015 ₹	As at March 31, 2014 ₹
AUTHORIZED CAPITAL		
950,000,000 (P.Y 950,000,000) Equity Shares of ₹ 1 each	950,000,000	950,000,000
1,550,000 (P Y 1,550,000) Preference Shares of ₹ 2,000 each	3,100,000,000	3,100,000,000
	<u>4,050,000,000</u>	<u>4,050,000,000</u>
ISSUED, SUBSCRIBED AND FULLY PAID UP CAPITAL		
11,461,114 (P.Y.11,461,114) Equity Shares of ₹ 1 each	11,461,114	11,461,114
TOTAL	<u>11,461,114</u>	<u>11,461,114</u>

Notes:

a) Reconciliation of the number of shares outstanding at the beginning and at the end of the year:

Particulars	As at March 31, 2015 ₹	As at March 31, 2014 ₹
Equity Shares Outstanding at the beginning of the year	11,461,114	11,461,114
Add: Shares issued during the year	—	—
Equity Shares Outstanding at the end of the year	<u>11,461,114</u>	<u>11,461,114</u>

- b) The details of the shareholders holding more than 5% shares - Essar Satvision Limited 10,573,897 (P.Y. 10,573,897), the Holding company along with nominees.
- c) Out of the above 10,000,000 equity shares were allotted as fully paid up by way of Bonus shares by capitalisation of profits in the financial year ended March 31, 2013.
- d) Out the above 961,114 equity shares were issued as fully paid up without payment being received in cash, pursuant to the scheme of amalgamation in the financial year ended March 31, 2013.

3. RESERVES AND SURPLUS

Particulars	As at March 31, 2015 ₹	As at March 31, 2014 ₹
Surplus / (Deficit) in Statement of Profit and Loss		
Balance as at the beginning of the year	(653,275,762)	(641,499,420)
Add: Profit / (loss) for the year	(32,215,190)	(11,776,342)
Balance as at the end of the year	<u>(685,490,952)</u>	<u>(653,275,762)</u>
TOTAL	<u>(685,490,952)</u>	<u>(653,275,762)</u>

4. LONG TERM BORROWINGS

Particulars	As at March 31, 2015 ₹	As at March 31, 2014 ₹
UNSECURED LOANS		
Optionally Convertible Debentures		
Series I		
243,010,850 (P. Y. 243,010,850) Optionally Convertible Debentures of ₹ 100 each fully paid up	24,301,085,000	24,301,085,000
TOTAL	<u>24,301,085,000</u>	<u>24,301,085,000</u>

TERMS AND CONDITIONS OF OPTIONALLY CONVERTIBLE DEBENTURES OF ₹ 100 EACH

- a) The debentures shall not carry any interest.
- b) Each debenture shall have face value of ₹ 100 each.
- c) Each debentures shall be redeemable at ₹ 160* on February 28, 2018* (* during the year with the consent of debentureholders, premium on redemption and date of redemptions altered).
- d) The holder of each debenture shall have option to convert the debenture into one 10% Non-Cumulative Preference Share of ₹ 100 each any time after March 31, 2013.
- e) The debentures shall not be listed on any stock exchange.

5. LONG TERM PROVISIONS

Particulars	As at March 31, 2015 ₹	As at March 31, 2014 ₹
Provision for Compensated Absences	–	670
Provision for Gratuity	–	7,793
TOTAL	–	8,463

6. TRADE PAYABLES

Particulars	As at March 31, 2015 ₹	As at March 31, 2014 ₹
Trade Payables for services	1,251,217	5,127,511
Trade Payables for Investments	156,921	156,921
TOTAL	1,408,138	5,284,432

7. OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2015 ₹	As at March 31, 2014 ₹
Advances from related parties	290,301	2,238,238
Advances from others	2,238,238	–
Statutory liabilities	297,807	348,725
Unclaimed Dividend	610,092	610,092
TOTAL	3,436,438	3,197,055

8. SHORT TERM PROVISIONS

Particulars	As at March 31, 2015 ₹	As at March 31, 2014 ₹
Provision for Taxation (Net of taxes paid)	–	22,495,921
Provision for Gratuity	–	16
Provision for Compensated Absences	–	313
TOTAL	–	22,496,250

9. TANGIBLE ASSETS

Description of Assets	GROSS BLOCK (AT COST / VALUATION)				DEPRECIATION				NET BLOCK	
	As at April 1, 2014	Additions during the year	Deletions / adjustments	As at March 31, 2015	As at April 1, 2014	For the year	Withdrawn / Written back	As at March 31, 2015	As at March 31, 2015	As at March 31, 2014
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Land	7,470,000	–	–	7,470,000	–	–	–	–	7,470,000	7,470,000
Buildings	72,168,465	–	–	72,168,465	3,523,183	1,204,199	–	4,727,382	67,441,083	68,645,282
TOTAL	79,638,465	–	–	79,638,465	3,523,183	1,204,199	–	4,727,382	74,911,083	76,115,282
Previous year	79,638,465	–	–	79,638,465	2,346,837	1,176,346	–	3,523,183	76,115,282	

10. NON CURRENT INVESTMENTS

Particulars	As at March 31, 2015 ₹	As at March 31, 2014 ₹
Long term, Non-trade at cost		
A. Quoted		
Investment in subsidiary company		
Investment in Equity Shares		
10,704,557 (P.Y 10,704,557) Equity Shares of ₹ 10 each of Essar Securities Ltd fully paid up	239,137,990	239,137,990
B. Unquoted		
Investment in other companies		
Investment In Debentures		
232,210,366 (P. Y. 232,210,366) Optionally Convertible Debentures of ₹ 100 each of Imperial Consultants and Securities Pvt Ltd fully paid up	23,221,036,600	23,221,036,600
TOTAL	23,460,174,590	23,460,174,590
Aggregate amount of Quoted Investments	239,137,990	239,137,990
Aggregate amount of Unquoted Investments	23,221,036,600	23,221,036,600
Aggregate market value of Quoted Investments	345,221,963	412,125,445

11. LONG TERM LOANS AND ADVANCES

Particulars	As at March 31, 2015 ₹	As at March 31, 2014 ₹
(Unsecured, Considered Good)		
Advance Tax / Tax deducted at source (Net of provision for taxes)	79,818,195	136,926,926
Gratuity funded amount receivable	14,980	–
TOTAL	79,833,175	136,926,926

12. TRADE RECEIVABLES

Particulars	As at March 31, 2015 ₹	As at March 31, 2014 ₹
(Unsecured, Considered Good)		
Debts outstanding for more than six months	992,700	992,700
Other debts	270,000	—
TOTAL	1,262,700	992,700

13. CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2015 ₹	As at March 31, 2014 ₹
Balance with the Banks in		
a) Current / Savings Accounts	663,408	2,019,006
b) Current Accounts (Unclaimed Dividend)	610,092	610,092
TOTAL	1,273,500	2,629,098

14. SHORT TERM LOANS AND ADVANCES

Particulars	As at March 31, 2015 ₹	As at March 31, 2014 ₹
(Unsecured, Considered Good)		
Advances to related parties	1,367,855	340,348
Advance to vendors and other receivables	13,076,835	13,076,835
Prepaid Expenses	—	773
TOTAL	14,444,690	13,417,956

15. REVENUE FROM OPERATIONS

Particulars	For the year ended March 31, 2015 ₹	For the year ended March 31, 2014 ₹
Income from Consultancy Services	300,000	100,000
TOTAL	300,000	100,000

16. OTHER INCOME

Particulars	For the year ended March 31, 2015 ₹	For the year ended March 31, 2014 ₹
Interest on Income Tax Refund	—	895,728
Interest on intercorporate deposits / deposits with banks	23,137	64,550
Miscellaneous Income	2,322	7,045
TOTAL	25,459	967,323

17. EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended March 31, 2015 ₹	For the year ended March 31, 2014 ₹
Salaries and Allowances	576,145	502,016
Contribution to provident / other funds	27,622	26,766
Staff welfare expenses	5,103	12,003
TOTAL	608,870	540,785

18. FINANCE COSTS

Particulars	For the year ended March 31, 2015 ₹	For the year ended March 31, 2014 ₹
Bank Guarantee Charges	—	887,933
TOTAL	—	887,933

19. OTHER EXPENSES

Particulars	For the year ended March 31, 2015 ₹	For the year ended March 31, 2014 ₹
Payment to auditors		
Audit Fees	285,000	337,080
Certification Fees	—	42,585
Advertisement Expenses (PY including ₹ 53,372 for earlier period)	8,863	57,999
Communication Expenses	189,651	6,080
AGM Expenses	47,122	30,928
Listing and Custodial Fees	405,174	—
Printing and Postage Expenses	167,022	294,849
Travelling Expenses	48,765	4,500
Balances Written off	8,365	1,065,593
Rent	32,904	—
Filing fees, Rates and Taxes	15,874	47,009
Legal and professional fees (PY including ₹ 171,012 for earlier period)	750,823	8,321,897
Bank Charges	101	3,678
Miscellaneous expenses	3,873	26,403
TOTAL	1,963,537	10,238,601

20. EARNINGS PER SHARE

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

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Earnings [Net profit / (loss) after tax (₹)]	(32,215,190)	(11,776,342)
Weighted average number of equity shares for the purpose of calculating earnings per share	11,461,114	11,461,114
Basic and diluted earnings per share of face value of ₹ 1 each (₹)	(2.81)	(1.03)

21. CONTINGENT LIABILITIES:

- a. Income tax demands of ₹ 144,017,491 (P. Y. ₹ 144,017,491) pending in appeals.
- b. Lease tax demands of ₹ 2,556,295 (P. Y. ₹ 2,556,295) pending in appeals.
- c. Underwriting claim disputed by the company pertaining to erstwhile India Securities Limited, which got amalgamated with the company in the financial year ended March 31, 2013 ₹ 55,525,125 (P. Y. Nil).

22. CURRENT ASSETS, LOANS AND ADVANCES:

In the opinion of the management, current assets, loans and advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated and provision for all known and determined liabilities are adequate and not in the excess of amount reasonably stated.

23. There are no amounts due to micro, small and medium enterprises.

24. The company had one employee who had left from employment subsequent to the balance sheet date. In view of the fact that the Gratuity was not paid / payable on account of not in employment with the company for five years and no compensated absence benefits were paid / payable, the company has reversed the provisions made therefor in earlier period. Further the amount of ₹ 14,980 funded to Life Insurance Corporation of India and State Bank of India, in view of no employee in the company and amount not payable to the employee, recoverable in nature, is treated as long term advances.

25. Related Parties Disclosures

(A) Related parties and nature of relationship where control exists:

- i) Holding Companies
Essar Satvision Limited
Essar Capital Holdings (India) Limited (holding company of Essar Satvision Ltd)
- ii) Subsidiary Company
Essar Securities Ltd
- iii) Individual indirectly owning interest in voting power that gives control :
Smt. Manju S Ruia

(B) Other related parties where there have been transactions.

Enterprises controlled or significantly influenced by individual or relatives:

"Essar Investments Limited, Futura Travels Limited, Imperial Consultants and Securities Pvt Ltd, Essar Teleholdings Ltd, Essar Infrastructure Services Pvt Ltd, Essar Services India Pvt Ltd, Frontier Leasing & Finance Ltd (upto previous year), Kroner Investments Ltd".

(C) The material transactions with related parties are summarised below:

Particulars	Holding companies	Subsidiary company	Enterprises controlled or significantly influenced by individual or relatives	Total March 31, 2015
	₹	₹	₹	₹
a. Statement of Profit and Loss Items				
Consultancy Fees receipts			300,000	300,000
			(100,000)	(100,000)
Imperial Consultants and Securities Pvt Ltd			300,000	
			(100,000)	
Professional fees Expenses		301,484		301,484
(Essar Securities Ltd)		(264,271)		(264,271)
Travelling / Rent expenses			42,532	42,532
			(-)	(-)
Essar Infrastructure Services Pvt Ltd			32,904	
			(-)	
Futura Travels Limited			9,628	
			(-)	

Particulars	Holding companies	Subsidiary company	Enterprises controlled or significantly influenced by individual or relatives	Total March 31, 2015
	₹	₹	₹	₹
b. Balance Sheet Items				
Purchase / subscription of Investments			–	–
			(1,233,700,000)	(1,233,700,000)
Imperial Consultants and Securities Pvt Ltd			–	
			(1,233,700,000)	
Refund of Advances taken			–	–
			(33,281)	(33,281)
Essar Services India Pvt Ltd			–	
			(33,281)	
Advances taken			290,301	290,301
			(–)	–
Essar Investments Ltd			58,377	
			(–)	
Essar Services India Pvt Ltd			231,924	
			(–)	
Advances given	–		1,363,766	1,363,766
	(31,259)		(304,089)	(335,348)
Imperial Consultants and Securities Pvt Ltd			1,363,766	
			(4,089)	
Kroner Investments Ltd			–	
			(300,000)	
Essar Satvision Ltd				
			(31,259)	
Refund of advances given			336,259	336,259
			(3,300,000)	(3,300,000)
Essar Services India Pvt Ltd			–	
			(3,300,000)	
Essar Satvision Ltd			36,259	
			(–)	
Kroner Investments Ltd			300,000	
			(–)	
(D) Balances outstanding at the end of the year:				
Credit balances			332,833	332,833
		(207,687)	(2,238,238)	(2,445,925)
Debit balances			1,637,855	1,637,855
	(36,259)		(304,089)	(340,348)

Note: Figures in bracket relates to previous year.

26. The business segments have been identified based on the nature of business carried out by the company and services provided by the company to its clients. The company carries on business of investment and providing consultancy services.

Particulars	Consultancy Services		Investment Activities		Total	
	March 31, 2015 ₹	March 31, 2014 ₹	March 31, 2015 ₹	March 31, 2014 ₹	March 31, 2015 ₹	March 31, 2014 ₹
Segment Revenue	300,000	100,000	–	–	300,000	100,000
Segment Results [Segment Profit / (Loss)]	300,000	(892,700)	–	(887,933)	300,000	(1,780,633)
Unallocable Income					25,459	967,323
Unallocable Expenses (includes depreciation ₹ 1,204,199 P.Y. ₹ 1,176,346)					3,776,606	10,963,032
Current tax (tax adjustments for earlier years)					28,764,043	–
Net Profit / (Loss) After tax					(32,215,190)	(11,776,342)
Segment Assets	1,262,700	992,700	23,460,174,590	23,460,174,590	23,461,437,290	23,461,167,290
Unallocable assets					170,462,448	229,089,262
Total Assets					23,631,899,738	23,690,256,552
Segment liabilities			24,301,241,921	24,301,241,921	24,301,241,921	24,301,241,921
Unallocable liabilities					4,687,655	30,829,279
Total Liabilities					24,305,929,576	24,332,071,200

27. The company does not have any commitment.
28. Previous year figures have been regrouped, rearranged wherever necessary.

As per our report of even date

For **Nisar & Kumar**
Chartered Accountants

K. M. Mahadik
Partner

Place : Mumbai
Date : August 17, 2015

For and on behalf of the Board

Director Director

Place : Mumbai
Date : August 17, 2015

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ESSAR CAPITAL LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **ESSAR CAPITAL LIMITED** ("the Company") and its subsidiary ("the ECL Group"), which comprise the Consolidated Balance Sheet as at March 31, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

Auditors' Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated

financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the ECL Group as at March 31, 2015, and its loss and its cash flows for the year ended on that date.

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

Place : Mumbai
Date : August 17, 2015

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

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2015

Particulars	Note No.	As at March 31, 2015 ₹
EQUITY AND LIABILITIES		
Shareholders' Funds		
(a) Share Capital	2	11,461,114
(b) Reserves and Surplus	3	(561,887,176)
		(550,426,062)
		121,422,606
Minority Interest		
Non Current Liabilities		
(a) Long Term Borrowings	4	24,301,085,000
(b) Long Term Provisions	5	173,233
		24,301,258,233
Current Liabilities		
(a) Trade Payables	6	2,061,359
(b) Other Current Liabilities	7	4,776,258
(c) Short Term Provisions	8	4,722
		6,842,339
		23,879,097,116
ASSETS		
Non Current Assets		
(a) <u>Fixed Assets</u>		
Tangible Assets	9	74,911,083
(b) Non Current Investments	10	23,703,072,888
(c) Long Term Loans and Advances	11	80,330,727
		23,858,314,698
Current Assets		
(a) Trade Receivables	12	3,829,585
(b) Cash and Cash Equivalents	13	2,501,983
(c) Short Term Loans and Advances	14	14,450,850
		20,782,418
		23,879,097,116

Significant Accounting Policies
(Notes forms an integral part of the accounts)

1

As per our report of even date

For **Nisar & Kumar**
Chartered Accountants

For and on behalf of the Board

K. M. Mahadik
Partner

Director

Director

Place : Mumbai
Date : August 17, 2015

Place : Mumbai
Date : August 17, 2015

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015

Particulars	Note No.	For the year ended March 31, 2015 ₹
INCOME:		
Revenue from operations	15	4,970,780
Other Income	16	25,459
Total Income		4,996,239
Expenses:		
Employee Benefits Expense	17	3,118,802
Depreciation	9	1,204,199
Other expenses	18	3,197,844
Total Expenses		7,520,845
Profit / (loss) before tax		(2,524,606)
Tax expense:		
Current tax (including tax for earlier years)		(29,051,043)
Profit / (Loss) after tax before minority interest		(31,575,649)
Less: Share of minority's interest (profit)		(160,389)
Profit / (Loss) after tax after minority interest		(31,736,038)
Basic and diluted earnings per share of face value of ₹ 1 each	19	(2.77)
Significant Accounting Policies (Notes forms an integral part of the accounts)	1	

As per our report of even date

For **Nisar & Kumar**
Chartered Accountants

K. M. Mahadik
Partner

Place : Mumbai
Date : August 17, 2015

For and on behalf of the Board

Director

Director

Place : Mumbai
Date : August 17, 2015

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

Particulars	For the year ended March 31, 2015 ₹
Cash Flow from Operating Activities	
Profit/(Loss) before Tax	(2,524,606)
Adjustment for:	
Interest income	23,137
Depreciation	1,204,199
Balances written off	8,365
Operating Cash Flow before Working Capital Changes	(1,335,179)
Adjustment for:	
(Increase)/Decrease in receivables	4,426,882
Increase/(Decrease) in payables	(3,993,506)
Cash used in Operations	(901,803)
Less:- Income Tax Refund / (paid) [net]	(523,910)
Net Cash (used in) / generated from Operating Activities	(1,425,713)
Cash Flow from Investing Activities	
Interest received	23,137
Net Cash generated from Investing Activities	23,137
Cash Flow from Financing Activities	
Unclaimed Dividend paid	(2,009)
Net Cash used in Financing Activities	(2,009)
Net Increase / (Decrease) in Cash and cash equivalents	(1,404,458)
Cash and cash equivalents at the beginning of the year	2,629,098
Add: Cash and cash equivalents of subsidiary at the beginning of the year taken on consolidation	1,277,470
Cash and cash equivalents at the end of the year	2,501,983

Note:

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

As per our report of even date

For **Nisar & Kumar**
Chartered Accountants

K. M. Mahadik
Partner

Place : Mumbai
Date : August 17, 2015

For and on behalf of the Board

Director

Director

Place : Mumbai
Date : August 17, 2015

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2015

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of Accounting :

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

1.2. Basis of consolidation:

- a) The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries on line by line basis by adding together like items of assets, liabilities, Income and expenses by using uniform accounting policies. The difference between the cost of investment and the Company's portion of equity in subsidiaries, at the date of Investment, is treated as goodwill or capital reserve as a case may be. The interest of minority shareholders is stated at the minority's proportion of the assets and liabilities recognised.
- b) All significant transactions and balances between the company and subsidiaries are eliminated on consolidation.

1.3 Revenue recognition:

Consultancy income is recognised for the services rendered as per the terms of contracts.

Dividend is recognised on right to receive basis.

Interest is recognised on time accrual basis.

1.4 Investments:

Long term investments are stated at cost. Cost includes incidental cost of acquisition. The decline in value of investments other than of temporary nature is provided for in profit and loss account.

1.5 Taxation:

The provision for current tax, if any is computed in accordance with the relevant tax regulation. Deferred tax is recognised on timing differences between accounting and taxable income for the year by applying applicable tax rates as per Accounting Standard 22 on 'Accounting for taxes on Income'. Deferred Tax Asset is recognised wherever there is virtual certainty that future taxable income will be available against which such deferred tax asset can be realised.

1.6 Foreign Currency Transactions:

Transactions in foreign currencies are recorded at the original rate of exchange in force at the time of occurrence of the transactions. Monetary items of current assets and liabilities denominated in foreign currency are translated at year end rates. The exchange gain or loss arising on translation or settlement of balances is charged to statement of profit and loss.

1.7 Borrowing Costs:

Borrowing costs related to qualifying assets in the course of acquisition upto the date of commissioning is added to cost of fixed assets. Other borrowing costs are charged to statement of profit and loss.

1.8 Depreciation:

Depreciation is provided on straight-line basis at the rates prescribed under Schedule II of the Companies Act, 2013 on pro rata basis from the date of addition or till the date of deletion.

The impairment of fixed assets is reviewed as per Accounting Standard 28 " Impairment of Fixed Assets".

1.9 Fixed Assets:

Fixed assets are recorded at cost or valuation less depreciation. Cost includes purchase cost together with all incidental costs of acquisition and installation.

1.10 Retirement Benefits:

- a) Gratuity liability is funded and recognised on projected unit credit actuarial method.
- b) Compensated absences are recognised on projected unit credit actuarial method.
- c) Contribution to Provident Fund which is a fixed percentage of the eligible employees' salary is charged to Statement of Profit and Loss and funded with Government Provident Fund.

1.11 Contingent Liabilities and Provisions:

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

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

2. SHARE CAPITAL

Particulars	As at March 31, 2015 ₹
AUTHORIZED CAPITAL	
950,000,000 Equity Shares of ₹ 1 each	950,000,000
1,550,000 Preference Shares of ₹ 2,000 each	3,100,000,000
	<u>4,050,000,000</u>
ISSUED, SUBSCRIBED AND FULLY PAID UP CAPITAL	
11,461,114 Equity Shares of ₹ 1 each	11,461,114
TOTAL	<u>11,461,114</u>
Notes:	
a) Reconciliation of the number of shares outstanding at the beginning and at the end of the year:	
Equity Shares Outstanding at the beginning of the year	11,461,114
Add: Shares issued during the year	—
Equity Shares Outstanding at the end of the year	<u>11,461,114</u>
b) The details of the shareholders holding more than 5% shares - Essar Satvision Limited 10,573,897, the Holding company along with nominees.	
c) Out of the above 10,000,000 equity shares were allotted as fully paid up by way of Bonus shares by capitalisation of profits in the financial year ended March 31, 2013.	
d) Out the above 961,114 equity shares were issued as fully paid up without payment being received in cash, pursuant to the scheme of amalgamation in the financial year ended March 31, 2013.	

3. RESERVES AND SURPLUS

Particulars	As at March 31, 2015 ₹
Surplus / (Deficit) in Statement of Profit and Loss	
Balance as at the beginning of the year	(653,275,762)
Add: Profit / (loss) for the year	<u>(31,736,038)</u>
Balance as at the end of the year	(685,011,800)
Capital Reserve on Consolidation	123,124,624
TOTAL	<u>(561,887,176)</u>

4. LONG TERM BORROWINGS

Particulars	As at March 31, 2015 ₹
UNSECURED LOANS	
Optionally Convertible Debentures Series I	
243,010,850 Optionally Convertible Debentures of ₹ 100 each fully paid up	24,301,085,000
TOTAL	24,301,085,000

TERMS AND CONDITIONS OF OPTIONALLY CONVERTIBLE DEBENTURES OF ₹ 100 EACH

- a) The debentures shall not carry any interest.
- b) Each debenture shall have face value of ₹ 100 each.
- c) Each debentures shall be redeemable at ₹ 160* on February 28, 2018* (* during the year with the consent of debentureholders, premium on redemption and date of redemptions altered).
- d) The holder of each debenture shall have option to convert the debenture into one 10% Non-Cumulative Preference Share of ₹ 100 each any time after March 31, 2013.
- e) The debentures shall not be listed on any stock exchange.

5. LONG TERM PROVISIONS

Particulars	As at March 31, 2015 ₹
Provision for Compensated Absences	51,130
Provision for Gratuity	122,103
TOTAL	173,233

6. TRADE PAYABLES

Particulars	As at March 31, 2015 ₹
Trade Payables for services	1,904,438
Trade Payables for Investments	156,921
TOTAL	2,061,359

7. OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2015 ₹
Advances from related parties	290,301
Advances from others	2,238,238
Statutory liabilities	618,644
Unclaimed Dividend	1,629,075
TOTAL	4,776,258

8. SHORT TERM PROVISIONS

Particulars	As at March 31, 2015 ₹
Provision for Gratuity	2,384
Provision for Compensated Absences	2,338
TOTAL	4,722

9. TANGIBLE ASSETS

Description of Assets	GROSS BLOCK (AT COST / VALUATION)				DEPRECIATION				NET BLOCK
	As at April 1, 2014 ₹	Additions during the year ₹	Deletions/adjustments ₹	As at March 31, 2015 ₹	As at April 1, 2014 ₹	For the year ₹	Withdrawn/Written back ₹	As at March 31, 2015 ₹	As at March 31, 2015 ₹
Land	7,470,000	-	-	7,470,000	-	-	-	-	7,470,000
Buildings	72,168,465	-	-	72,168,465	3,523,183	1,204,199	-	4,727,382	67,441,083
TOTAL	79,638,465	-	-	79,638,465	3,523,183	1,204,199	-	4,727,382	74,911,083

10. NON CURRENT INVESTMENTS

Particulars	As at March 31, 2015 ₹
Long term, Non-trade at cost	
Unquoted	
Investment in other companies	
a) Investments in Equity Shares	
10,050,706 Equity Shares of ₹ 10 each of Essar Steel India Limited	482,036,288
b) Investment In Debentures	
232,210,366 Optionally Convertible Debentures of ₹ 100 each of Imperial Consultants and Securities Pvt Ltd fully paid up	23,221,036,600
TOTAL	23,703,072,888

11. LONG-TERM LOANS AND ADVANCES

Particulars	As at March 31, 2015 ₹
(Unsecured, Considered Good)	
Advance Tax / Tax deducted at source (Net of provision for taxes)	80,315,747
Gratuity funded amount receivable	14,980
TOTAL	80,330,727

12. TRADE RECEIVABLES

Particulars	As at March 31, 2015 ₹
(Unsecured, Considered Good)	
Debts outstanding for more than six months	2,326,134
Other debts	1,503,451
TOTAL	<u>3,829,585</u>

13. CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2015 ₹
Balance with the Banks in	
a) Current / Savings Accounts	872,908
b) Current Accounts (Unclaimed Dividend)	1,629,075
TOTAL	<u>2,501,983</u>

14. SHORT TERM LOANS AND ADVANCES

Particulars	As at March 31, 2015 ₹
(Unsecured, Considered Good)	
Advances to related parties	1,367,855
Advance to vendors and other receivables	13,076,835
Prepaid Expenses	6,160
TOTAL	<u>14,450,850</u>

15. REVENUE FROM OPERATIONS

Particulars	For the year ended March 31, 2015 ₹
Income from Consultancy Services	4,970,780
TOTAL	<u>4,970,780</u>

16. OTHER INCOME

Particulars	For the year ended March 31, 2015 ₹
Interest on intercorporate deposits / deposits with Bank	23,137
Miscellaneous Income	2,322
TOTAL	<u>25,459</u>

17. EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended March 31, 2015 ₹
Salaries and Allowances	2,638,875
Contribution to provident / other funds	185,711
Staff welfare expenses	294,216
TOTAL	3,118,802

18. OTHER EXPENSES

Particulars	For the year ended March 31, 2015 ₹
Audit Fees	365,000
Advertisement Expenses	248,937
Communication Expenses	437,559
Directors Sitting Fees [net of Service Tax of ₹ 46,350 of previous year claimed as input credit]	36,150
AGM Expenses	94,244
Interest on delayed payment of taxes	12,637
Listing and Custodial Fees	596,230
Printing and Postage Expenses	332,020
Travelling Expenses	86,538
Balances Written off	8,365
Rent	32,904
Filing fees, Rates and Taxes	50,174
Legal and professional fees	888,704
Bank Charges	269
Miscellaneous expenses	8,113
TOTAL	3,197,844

19. EARNINGS PER SHARE

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

Particulars	For the year ended March 31, 2015 ₹
Earnings [Net profit / (loss) after tax (₹)]	(31,736,038)
Weighted average number of equity shares for the purpose of calculating earnings per share	11,461,114
Basic and diluted earnings per share of face value of ₹ 1 each (₹)	(2.77)

20. CONTINGENT LIABILITIES:

- a. Income tax demands of ₹ 144,017,491 pending in appeals.
- b. Lease tax demands of ₹ 2,556,295 pending in appeals.
- c. Underwriting claim disputed by the company pertaining to erstwhile India Securities Limited, which got amalgamated with the company in the financial year ended March 31, 2013 ₹ 55,525,125.

21. CURRENT ASSETS, LOANS AND ADVANCES:

In the opinion of the management, current assets, loans and advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated and provision for all known and determined liabilities are adequate and not in the excess of amount reasonably stated.

22. There are no amounts due to micro, small and medium enterprises.

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

The company has also agreed to provide certain Long Term Compensated Absences.

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

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

Particulars	Compensated Absences	Gratuity
	March 31, 2015	
	₹	₹
Statement of Profit and Loss		
Current Service Cost	19,289	17,511
Interest cost on benefit obligation	3,872	6,855
Expected return on plan assets	—	—
Net actuarial (gain)/loss recognised in the year	(11,783)	25,606
Past service cost	—	—
Net benefit Expense / (Income)	11,378	49,972
Details of Provision for Employee Benefits		
Defined benefit Obligation	(53,468)	(124,487)
Fair Value of plan assets	—	—
Unrecognised past service cost	—	—
Plan asset/(liability)	(53,468)	(124,487)
Changes in the present value of the defined benefit obligation		
Opening defined benefit obligation	42,090	74,515
Interest Cost	3,872	6,855
Current Service cost	19,289	17,511
Acquisitions Cost / (Credit)	—	—
Benefits Payment	—	—
Actuarial (gains)/losses on obligation	(11,783)	25,606
Closing defined benefit obligation	53,468	124,487
Changes in the fair value of the plan assets		
Fair value of the plan assets at the beginning of the year	—	—
Expected return on plan assets	—	—
Contributions	—	—
Benefits paid / Transfer	—	—
Actuarial (gains)/losses on plan assets	—	—
Fair value of the plan assets at the end of the year	—	—
The principal assumptions used in determining leave encashment and Gratuity benefit obligations for the Companies plans		
A. Discount rate	7.80%	7.80%
B. Expected rate of return on assets	N/A	N/A
C. Salary Escalation Rate	6.00%	6.00%
D. Employee Turnover	1% to 3%	1% to 3%
E. Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	

24. RELATED PARTIES DISCLOSURES

(A) Related parties and nature of relationship where control exists:

i) Holding Companies

Essar Satvision Limited

Essar Capital Holdings (India) Limited (holding company of Essar Satvision Ltd)

ii) Key Management Personnel:

Mr. Ashish Vyas - Manager & Company Secretary, Girish Vyas - Chief Financial Officer

iii) Individual indirectly owning interest in voting power that gives control :

Smt. Manju S Ruia

(B) Other related parties where there have been transactions.

Enterprises controlled or significantly influenced by individual or relatives:

Essar Investments Limited, Futura Travels Limited, Imperial Consultants and Securities Pvt Ltd, Essar Teleholdings Ltd, Essar Infrastructure Services Pvt Ltd, Essar Services India Pvt Ltd, Kroner Investments Ltd, Imperial Procurement Services Pvt Ltd, Girishan Investment Pvt Ltd

(C) The material transactions with related parties are summarised below:

Particulars	Holding companies	Key Managerial Personnel	Enterprises controlled or significantly influenced by individual or relatives	Total March 31, 2015
	₹	₹	₹	₹
a. Statement of Profit and Loss Items				
Consultancy Fees receipts			4,970,780	4,970,780
Imperial Consultants and Securities Pvt Ltd			2,837,400	
Essar Investments Ltd			765,250	
Essar Teleholdings Ltd			748,210	
Imperial Procurement Services Pvt Limited			454,160	
Girishan Investment Pvt Limited			165,760	
Remuneration		2,051,448		2,051,448
Mr. Ashish Vyas		654,024		
Mr. Girish Vyas		1,397,424		
Travelling / Rent expenses			63,765	63,765
Essar Infrastructure Services Pvt Ltd			32,904	
Futura Travels Limited			30,861	
b. Balance Sheet Items				
Advances taken			290,301	290,301
Essar Investments Ltd			58,377	
Essar Services India Pvt Ltd			231,924	
Advances given			1,363,766	1,363,766
Imperial Consultants and Securities Pvt Ltd			1,363,766	
Refund of advances given			336,259	336,259
Kroner Investments Ltd			300,000	
Essar Satvision Ltd			36,259	
(D) Balances outstanding at the end of the year:				
Credit balances			376,293	376,293
Debit balances			4,204,740	4,204,740

25. The business segments have been identified based on the nature of business carried out by the company and services provided by the company to its clients. The company carries on business of investment and providing consultancy services.

Particulars	Consultancy Services	Investment Activities	Total
	March 31, 2015 ₹	March 31, 2015 ₹	March 31, 2015 ₹
Segment Revenue	4,970,780	–	4,970,780
Segment Results [Segment Profit / (Loss)]	4,970,780	–	4,970,780
Unallocable Income			25,459
Unallocable Expenses (includes depreciation ₹ 1,204,199)			7,520,845
Provision for Taxation (including earlier years adjustments)			29,051,043
Net Profit / (Loss) After tax before share of minority's interest			(31,575,649)
Share of minority's interest			(160,389)
Net Profit / (Loss) for the year			(31,736,038)
Segment Assets	3,829,585	23,703,072,888	23,706,902,473
Unallocable assets			172,194,643
Total Assets			23,879,097,116
Segment liabilities		24,301,085,000	24,301,085,000
Unallocable liabilities			7,015,572
Total Liabilities			24,308,100,572

26. The company does not have any commitment.
27. These consolidated financial statements include financials of a subsidiary of the company viz. Essar Securities Limited, 74.92% of equity shares of which are held by the company and financial year of the said subsidiary is ended on March 31, 2015.
28. This being first financial year for which consolidated accounts are prepared, previous year figures have not been given.

As per our report of even date

For **Nisar & Kumar**
Chartered Accountants

K. M. Mahadik
Partner

Place : Mumbai

Date : August 17, 2015

For and on behalf of the Board

Director

Director

Place : Mumbai

Date : August 17, 2015

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

Part "A": Subsidiaries

(Information in respect of subsidiary to be presented with amounts in ₹)

1. Sl. No. : 1
2. Name of the subsidiary: Essar Securities Limited
3. Reporting period for the subsidiary concerned, if different from the holding company's reporting period:
Reporting period for the subsidiary concerned is the same i.e. 31st March, 2015.
4. Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of
Foreign subsidiaries – Not Applicable.
5. Share capital : 14287754 equity shares of ₹ 10/- each.
6. Reserves & surplus : 34,12,86,832
7. Total assets : 48,63,35,368
8. Total Liabilities : 48,63,35,368
9. Investments : 48,20,36,288
10. Turnover : 49,39,100
11. Profit before taxation : 9,26,541
12. Provision for taxation : 2,87,000
13. Profit after taxation : 6,39,541
14. Proposed Dividend : Nil
15. % of shareholding : 74.92

Notes: The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations – N/A
2. Names of subsidiaries which have been liquidated or sold during the year – N/A

ESSAR CAPITAL LIMITED

Corporate Identity No. (CIN) -U65923TN2007PLC085016

Registered Office: Chennai House, 5th Floor, New No.7, Esplanade, Chennai 600 108, Tamil Nadu

8th Annual General Meeting – Wednesday, September 30, 2015

FORM OF PROXY

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

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

I/We being the member(s) held _____ Shares of Essar Capital 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 8th Annual General Meeting of the Company to be held on Wednesday, September 30, 2015 at 1.00 p.m.at Essar House, 5th Floor, 7, Esplanade, Chennai - 600 108 and at any adjournment thereof in respect of such resolutions as are indicated below:

S. No.	Resolution	For	Against
Ordinary Business			
1.	To receive, consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2015, the reports of the Board of Directors and Auditors thereon		
2.	Re-appointment of Mr. S. Shankaranarayanan (DIN000053332), Director retiring by rotation		
3.	To appoint Auditors and fix their remuneration		

Signed this day of 2015

AFFIX
 1 RUPEE
 REVENUE
 STAMP

Signature of Shareholder

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 CAPITAL LIMITED

Corporate Identity No. (CIN) -U65923TN2007PLC085016

Registered Office: Chennai House, 5th Floor, New No.7, Esplanade, Chennai 600 108, Tamil Nadu

8th Annual General Meeting – Wednesday, September 30, 2015

ATTENDANCE SLIP

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

DP ID	
Client ID	

Folio Number	
No. of shares	

Name and address of the shareholder:

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

I hereby record my presence at the 8th Annual General Meeting of Essar Capital Limited held on Wednesday, September 30, 2015 at Essar House, 5th Floor, 7, Esplanade, Chennai – 600 108.

Signature of shareholder/ Proxy

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ESSAR CAPITAL LIMITED

Corporate Identity No. (CIN) -U65923TN2007PLC085016

Registered Office: Chennai House, 5th Floor, New No.7, Esplanade, Chennai 600 108, Tamil Nadu

E - MAIL REGISTRATION

To

M/s Data Software Research Co. Pvt. Ltd

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

Dear Sir/s,

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

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

Folio No. or DP ID/ Client ID* :
Name of 1st Registered Holders* :
Name of Joint Holder(s) :
Address :

Pin Code :

E-mail ID (to be registered)* :

Contact Tel Nos. : **Mobile**
Landline

Date **Signature of first holder***

Important Notes:

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

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Route map to AGM Venue

REGISTERED POST/COURIER

If undelivered, please return to:

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