

62ND ANNUAL REPORT

2013-2014

ESaar (INDIA) LIMITED



Registered Office:

23-A, 12 Akash CHS, Talawad Nagar

Ashok Nagar, Kandivali (West),

Mumbai – 400101



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Board of Directors



Mr. Dheeraj Shah - Managing Director
 Ms. Deepti Lalwani - Director
 Mr. Avedhesh Pal - Director
 Mr. Sachin Talgaonkar - Director
 Ms. Hiral Kalpesh Mehta - Director & CFO

Registrar And Transfer Agent

Purva Share registry (India) PVT Ltd
 9, Shiv Shakti Industrial Estate,
 J.R. Boricha Marg, Lower Parel (W),
 Mumbai – 400 011

Our Auditors

M/s. Pravin Chandak & Associates
 403, New Swapanalok CHS Ltd,
 Natakwala Lane, Borivali (West)
 Mumbai - 400092

REGISTERED OFFICE

23-A, 12, Akash C.H.S. Talawad
 Nagar, Ashok Nagar, Kandiwali
 (East), Mumbai: 400101



Axis Bank - Andheri (West)
 Kotak Bank - Andheri (West)



Web Site: www.esaarindia.com
 Email Id : esaarindialtd@gmail.com
 Tel: +91 9920619131

NOTICE

Notice is hereby given that the 62nd Annual General Meeting of the Members of **M/s. Esaar (India) Limited** will be held on 30th September, 2014, Tuesday, at 7A, 8A, Kailash Parbat, Crystal Plaza, Opp. Infinity Mall, New Link Road, Andheri (West), Mumbai- 400053 at 12:00 P.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2014, the Profit and Loss Account for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Hiral Kalpesh Mehta (DIN: 06951631), who retires by rotation in terms of section 152(6) of the Companies Act, 2013 and, being eligible, offers herself for re-appointment.
3. To appoint Auditors and fix their remuneration and in this regard to consider and if, thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

“Resolved That pursuant to Section 139 of the Companies Act, 2013 (“Act”) read with the Companies (Audit and Auditors) Rules, 2014, and other applicable provisions, if any, M/s. Pravin Chandak & Associates, Chartered Accountants (Registration No: 116627W) be and are hereby re - appointed as a Statutory Auditors of the Company provided that the appointment M/s. Pravin Chandak & Associates, shall be from the conclusion of this 62nd Annual General Meeting till the conclusion of the 67th Annual General Meeting, for a consecutive period of five years and re-appointment shall be subject to ratification by the Members at every Annual General Meeting to be held during the period.

“Resolved Further That the Board of Directors or Audit Committee thereof, be and is hereby authorised to decide and finalize the terms and conditions of appointment, including the remuneration of the Joint Statutory Auditors.”

SPECIAL BUSINESS:

4. **To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:**

“Resolved That pursuant to the provisions of Sections 149, 152 read with schedule IV and other applicable provisions of The Companies Act, 2013 and the Companies (Appointment & Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and clause 49 of the Listing Agreement Mrs. Hiral Kalpesh Mehta (DIN: 06951631), who was appointed as an Additional Director and Chief Financial Officer on Board w.e.f. 04/08/2014 pursuant to the Provisions of section 161(1) of The Companies Act, 2013 and the Articles of association of the Company and who holds office up to the date of this Annual general Meeting and in respect of whom the Company has received a notice in writing under section 160 of The Companies Act, 2013 from a member proposing his candidature for the office of the Director, be and is hereby appointed as a Director of the Company whose period of office shall be liable to determination by retirement by rotation.”

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

“Resolved That, in accordance with section 63 of the Companies Act, 2013 & all other applicable provisions of the Companies Act, 2013 read with the relevant Rules thereof (including any statutory modifications or reenactment(s) thereof for the time being in force) read with Article 115 of Articles of Association of the Company and subject to provisions of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and subject to such approvals, permissions and sanctions as may be necessary and also subject to such terms, conditions and modifications as may be prescribed in granting approvals, permissions and sanctions by appropriate authority or authorities and agreed to by the Board of Directors of the Company (hereinafter called the Board, which term shall be construed as to include any committee which the Board may have constituted or may hereafter constitute to exercise the powers including the powers conferred vide this resolution), the consent of the members of the company be and is hereby accorded to capitalize a sum of Rs.12,26,55,000/- (Rupees Twelve Crores Twenty Six Lacs Fifty Five Thousand Only) out of the Reserve fund or such other reserves being eligible for the purpose and as may be deemed appropriate and suitable by the Board and be applied for issue and allotment of 12,26,55,000 (Twelve Crores Twenty Six Lacs Fifty Five Thousand) new fully paid up equity share of Re. 1/- (Rupees One Only) each as bonus shares in the proportion of 3 (Three) new equity shares of Re. 1/- (Rupee One Only) each for every 2

(Two) existing fully paid up equity shares of Re. 1/- each, held as on the record date to be determined by the Board and that the new bonus shares so issued and allotted shall be treated for all purposes as an increase in the paid-up share capital of the company held by each such member and not as income.”

“Resolved Further That the new equity shares shall be allotted subject to the terms and condition in the Memorandum and Articles of Association of the Company and shall in all respects rank pari passu with the existing equity shares of the Company”

“Resolved Further That no letter of allotment shall be issued in respect of Bonus Shares and in the case of the members who hold shares or opt to receive the shares in Dematerialized form, the Bonus Shares shall be credited to the respective beneficiary accounts of the Members with their respective Depository Participants and in case of the members who hold equity shares in physical form, the share certificates in respect of Bonus Shares will be dispatched, within such time as prescribed by law and relevant authorities.”

“Resolved Further That the issue and allotment of the said Bonus Shares to Non-Resident Indians (NRIs), Overseas Corporate Bodies (OCBs) and other foreign investors of the Company, shall be subject to the approval of the Reserve Bank of India under the Foreign Exchange Management Act, 1999 including any statutory modification(s) or re-enactment thereof for the time being in force.”

“Resolved Further That where the proportion of the new equity shares is not in the exact proportion of the holding of the existing equity shares and results in any member becoming entitled to fraction of new equity shares to be allotted as Bonus Shares, the Company shall not issue any certificate or Coupon in respect of such fractional shares but the total number of new equity shares representing such fraction shall be allotted to Mr. Dheeraj Shah, Managing Director of the Company, nominated by the Board of Directors to act as a trustee for and on behalf of the members, who shall have the right to be allotted such fractional certificates on behalf of the existing members and the Company shall issue in favor of such trustee, such equity shares certificates after consolidating all the fractional certificates into a marketable lot and thereafter such equity shares shall be sold by such trustee or trustees at the prevailing a market rate(s) and the net sale proceeds (after deduction of all such expenses incurred for sale) of such shares be distributed amongst such members who are entitled to such fractional certificates in proportion to their respective fractional entitlement thereto.”

“Resolved Further That the Board be and is hereby authorised to take necessary steps for listing of such shares on the Stock Exchange(s) where the securities of the Company are listed as per the provision of the Listing Agreement with the concerned Stock Exchange(s) and other applicable guidelines, rules and regulations.”

“Resolved Further That for the purpose of giving effect to this Resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things and to give such directions as may be necessary and expedient, and to settle any question, difficulty or doubt that may arise in this as the Board in its absolute discretion may deem necessary or desirable and its decision shall be final and binding.”

REGISTERED OFFICE

**23-A, 12- Akash C.H.S
Talawad Nagar, Ashok Nagar,
Kandivali (East),
Mumbai: 400101.
Dated: 03/09/2014**

BY ORDER OF THE BOARD

**Sd/-
Dheeraj Shah
(M.D & Chairman)**

Important Communiqué to Members - Green Initiative in Corporate Governance

The Ministry of Corporate Affairs (MCA) has taken a Green Initiative in Corporate Governance by allowing paperless compliances by the Companies and has issued a Circular stating that service of all documents including Annual Reports can be sent by e-mail to its Members. Your Company believes that this is a remarkable and environment friendly initiative by MCA and requests all Members to support in this noble cause.

The Company has already embarked on this initiative and proposes to send documents including Annual Reports in electronic form to the Members on the email address provided by them to the R&T Agent/the Depositories.

The Members who hold shares in physical form are requested to intimate/update their email address to the Company/R&T Agent while Members holding shares in demat form can intimate/update their email address to their respective Depository Participants.

Members are requested to further note that they will be entitled to be furnished, free of cost, the physical copy of the documents sent by e-mail, upon receipt of a requisition from them, any time, as a Member of the Company.

NOTES:

1. A MEMBER IS ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS UPTO AND NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. FURTHER, MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON MAY NOT ACT AS A PROXY FOR ANY OTHER PERSON OR MEMBER. THE INSTRUMENT APPOINTING PROXY MUST BE DEPOSITED AT THE REGISTERD OFFICE OF THE COMPNAY NOT LESS THAN 48 HOURS BEFORE THE TIME OF HOLDING THE MEETING.
2. During the period beginning 24 hours before the time fixed for commencement of the meeting and ending with the conclusion of the meeting, members would be entitled to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than 3 days' written notice is given to the Company.
3. Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the meeting is attached hereto.
4. Brief details of the Directors, who are seeking appointment/ re-appointment are annexed hereto as per the requirements of the Companies Act, 2013 and Clause 49 of the Listing Agreement.
5. Pursuant to section 91 of the Companies Act, 2013 The Register of Members and the Transfer Book of the Company will remain closed from 16/09/2014 to 17/09/2014 (both days inclusive).
6. Members are requested to notify immediately any change in their address details to the Company's Registrar and share transfer agents for shares held in demat/physical form at: M/s Purva Share registry (India) Pvt Ltd. 9, Shiv Shakti Industrial Estate, J.R. Boricha Marg, Lower Parel (E), Mumbai - 400 011.
7. The Securities & Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form, are, therefore requested to submit their PAN to their Depository Participants with whom they are maintaining their Demat Account. Members holding their shares in Physical Form can submit their PAN details to the share transfer agent (Purva Shareregistry (India) Pvt Ltd) of the Company.
8. Sections 101 and 136 of the Companies Act, 2013 read together with the rules made there under, permit the listed companies to send the notice of the annual general meeting and the annual report, including the financial statements, boards' report etc. by electronic mode. The Company is accordingly forwarding the soft copies of the above mentioned documents to all those members who have registered their e mail ids with their respective depository participants or with the share transfer agent of the Company.
9. Corporate Members are requested to send in advance duly certified copy of Board Resolution / power of attorney authorizing their representative to attend the annual general meeting.
10. Members/ proxies are requested to bring their copies of annual reports to the meeting.

11. Procedure and Instruction for E-Voting

In Compliance with provisions of section 108 of The Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the company is pleased to provide members facility to exercise their right to vote at the 62nd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services Limited (CDSL):

The Instructions for shareholders voting electronically are as under:

1. The voting period begins on 25/09/2014 at 09.30 a.m. and ends on 26/09/2014 at 05.30 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 28/08/2014 (Record Date), may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
2. The shareholders should log on to the e-voting website www.evotingindia.com during the voting period.
3. Click on "**SHAREHOLDERS**" tab.
4. Now , select the "**COMPANY NAME**" from the drop down menu and click on "**SUBMIT**".



5. 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.
6. Next enter the Image Verification as displayed and Click on Login.
7. 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.
8. If you are first time user follow the steps given below:

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

9. After entering this details appropriately, click on "SUBMIT" tab.
10. 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.
11. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
12. Click on the EVSN for the relevant <Company Name> on which you choose to vote.
13. 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.
14. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
15. 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.
16. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
17. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
18. If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
19. Note for Institutional Shareholders & Custodians:

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> 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 they have to create 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.
- 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.

20. 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.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

REGISTERED OFFICE

23-A, 12- Akash C.H.S
Talawad Nagar, Ashok Nagar,
Kandivali (East),
Mumbai: 400101.
Dated: 03/09/2014

BY ORDER OF THE BOARD

Sd/-
Dheeraj Shah
(M.D & Chairman)

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES, 2013**Item No. 4**

The Board of Directors at their meeting held on August 04, 2014 appointed Mrs. Hiral Kalpesh Mehta as an Additional Director of the Company. Mrs. Hiral Kalpesh Mehta holds office up to the date of the forthcoming Annual General Meeting. Under Section 160 of the Companies Act, 2013, the Company has received requisite notice from a Member proposing the candidature of Mrs. Hiral Kalpesh Mehta for the office of Director.

The Board of Director is of the opinion that Mrs. Hiral Kalpesh Mehta possesses requisite skills, experience and knowledge relevant to the company's business and it would be in the interest of the company to continue to have her association with the company as director.

The Board recommends passing of the ordinary resolution set out in item no. 4 of the Notice.

Item No. 5

The present level of Reserves & Surplus of your Company is nearly 167 times of the Paid-up Equity Capital of the Company. Considering this position of Reserves and Surplus, your Directors propose to issue bonus shares in the ratio of 3 (Three) new equity share for 2 (Two) existing equity shares as proposed in the resolution.

Such Fully Paid-up Bonus Shares shall be distributed to the Members of your Company, whose names shall appear on its Register of Members or in the respective beneficiary account with their respective Depository Participants, on the Record Date to be determined by the Board of Directors of your Company for the purpose of issue of Bonus Shares, in the proportion of 3 (Three) new equity share for 2 (Two) existing equity.

Any fractional entitlement arising out of the issue and allotment of the Bonus Shares shall be consolidated into fully paid up bonus shares which shall be allotted to Mr. Dheeraj Babulal Shah, Managing Director of the Company, nominated by the Board as a Trustee for those shareholders who are entitled to fractional entitlements of bonus shares. If any fractional entitlement arises while allotting the shares to the Trustee, the same shall be rounded off to the next whole number. The said Trustee shall sell the same at the then prevailing market price through the stock exchange and pay to the Company net sale proceeds for distribution to the members in proportion to their fractional entitlements.

Pursuant to the applicable provisions of the Companies Act, 2013 and Articles of Association of the Company, it would be necessary to obtain approval of the members by way of special resolution for issue of bonus shares by

capitalization of its reserve fund and hence necessary resolution has been proposed for the approval of members.

Your Directors recommend passing of the proposed Resolution.

The Directors, the Key Managerial personnel of the Company and their relatives are deemed to be concerned or interested in the resolution to the extent of shares held, if any by them in the Company.

The proposed resolution does not relate or affect any other company.

**DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AT
THE FORTHCOMING ANNUAL GENERAL MEETING
(In pursuance of Clause 49 (VI) (A) of the Listing Agreement)**

Directors seeking Appointment / Re-Appointment

Name of Director	Mrs. Hiral Kalpesh Mehta
Date of Birth	02/04/1985
Date of Appointment	04/08/2014
Expertise in any specific functional Area.	Account and Taxation
Qualification	Graduate
Directorships held in other Companies (Excluding Foreign Companies.)	Nil
Committee position held in other Companies.	Nil

BOARD OF DIRECTOR'S REPORT

To,
The Members

Your Directors present their 62nd Annual Report with Audited Statement of Accounts for the year ended on March 31, 2014.

FINANCIAL RESULTS:

Particulars	(Amt. In Lacs)	
	Year Ended 31/03/2014	Year Ended 31/03/2013
Income	1572.33	1365.82
Profit before Dep. & Int.	(56.80)	15.18
Depreciation	2.64	10.15
Interest	7.03	0.00
Profit after Depreciation & Interest	(66.47)	5.03
Provision for Taxation	0.67	4.47
Provison for Tax (deferred)	21.69	(2.78)
Tax Adjustment for earlier years	0.00	0.00
Profit after Tax	(45.44)	3.34
Net profit/ (Loss)	(45.44)	3.34
Amount Available for Appropriation	(45.44)	3.34
Balance carried to Balance Sheet	(45.44)	3.34

FINANCIAL HIGHLIGHTS:

During the year Company's total sales including other income is Rs. 1572.33 Lacs as compared to Rs 1365.82 Lacs in the previous year and thereby registering a gradual hike of 15.12%, as compared to the previous year. In spite of an increase in total turnover, the company has registered a net loss of Rs.(45.44) Lacs against the profit of Rs. 3.34 Lacs in the previous year, this has happen mainly because of increase in administrative expenses as compared to the previous year and decrease in valuation of stock as on 31.03. 2014.

DIVIDEND:

In view of losses during the year, your Directors have not recommended any dividend on Equity Shares for the year under review.

BOARD OF DIRECTORS

During the year under review, your Board inducted Mrs. Hiral Kalpesh Mehta, as an Additional Director of the Company w.e.f. 04/08/2014, who has also been appointed as an CFO in KMP category in compliance of the provisions section 203 of the Companies Act, 2013. Mrs. Hiral Kalpesh Mehta, retires by rotation and being eligible, offers herself for re-appointment at the ensuing Annual General Meeting. Board has recommended her re-appointment.

As required under clause 49 of the listing agreement with the stock exchanges, the information on the particulars of directors proposed for appointment/re-appointment has been given in the notice of annual general meeting.

DEPOSITS:

The Company has been registered as a NBFC since 1998 in terms of the provisions of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007. Your company is categorised as a Non deposit taking Non Banking Financial Company. The Company has not accepted any deposits during the year from the public within the meaning of Section 73 of The Companies Act, 2013.

DECLARATION OF INDEPENDENCE BY DIRECTORS

The Independent Non-executive Directors of the Company, viz. Mr. Avadhesh Pal, Mr. Sachin Talgaonkar and Ms. Deepti Lalwani have affirmed that they continue to meet all the requirements specified under Clause 49(I)(A)(iii) of the listing agreement in respect of their position as an "Independent Director" of Esaar (India) Limited.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(3)(c) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed:

1. That in the preparation of the accounts for the financial year ended 31st March, 2014 the applicable accounting standards have been followed, along with proper explanation relating to all material departures.
2. That they have, in the selection of the accounting policies, consulted the statutory auditors and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial year and of the profit of the Company for that period.
3. They have taken proper and sufficient care to the best of their knowledge and ability 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.
4. That the Directors have prepared the accounts for the financial year ended 31st March, 2014 on a going concern basis.

AUDITORS:

M/s. Pravin Chandak & Associates, Chartered Accountants having Registration No. 116627W, have been the Auditors of the Company since 18th March, 2011 and have completed a term of Three years. As per the provisions of section 139 of the Act, no listed Company can appoint or re-appoint an audit firm as auditor for more than two terms of five consecutive years. In view of the above, M/s. Pravin Chandak & Associates, being eligible for re-appointment and based on the recommendation of the Audit Committee, the Board of Directors has, at its meeting held on 3rd September, 2014, proposed the appointment of M/s. Pravin Chandak & Associates, as the Statutory Auditors of the Company for a consecutive period of five years to hold office from the conclusion of this AGM till the conclusion of the 67th AGM of the Company to be held in the year 2019 (subject to ratification of their appointment at every AGM).

AUDITORS REPORT:

Observations made in the Auditors' Report are self-explanatory and therefore do not call for any further comments under Section Section 134(1) of the Companies Act, 2013.

STATUTORY DISCLOSURES:

As required under the provisions of section 217(2A) of the Companies Act, 1956, read with the companies (Particulars of Employees) Rules, 1975, as amended, particulars of employees are set out in the annexure to the Directors' Report. As per the provisions of Section 219(1)(b)(iv) of the said Act, this report is being sent to all the members excluding the particulars of the employees.

Directors' Responsibility Statement as required by section 217(2AA) of the Companies Act, 1956 appears in preceding paragraph.

Certificate from auditors of the Company regarding compliance of conditions of corporate governance is annexed to this report.

Disclosures as prescribed by Non- Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 and other NBFC Regulations have been made in this Annual Report.

A Cash Flow Statement for F.Y 2013-2014 is attached to the Balance Sheet.

FOREIGN EXCHANGE:

The Company does not have any Foreign exchange earnings / expenses during the year under review and therefore the information in respect of Foreign Exchange Earnings and Outgo as required by Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is not provided.

LISTING OF SHARES:

Equity shares of your Company are listed on Bombay Stock Exchange only and the Company has paid the necessary Listing fees for the year 2014-2015.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION:

The Company is not required to give information relating to conservation of energy and technology absorption as the Company is not engaged in any activities referred to in Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

PARTICULARS OF EMPLOYEE:

There is no employee drawing remuneration for which information is required to be submitted under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

GREEN INITIATIVE IN CORPORATE GOVERNANCE:

The ministry of corporate Affairs (vide circular nos.17/2011 and 18/2011 dated April 21 and April 29, 2011 respectively), has undertaken 'Green initiative in corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode. Members are requested to support their green initiative by registering/ updating their email addresses, in respect of shares held in dematerialised form with their respective depository participants and in respect of shares held in physical form with RTA of Company.

CORPORATE GOVERNANCE COMPLIANCE:

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange, a separate section titled "Corporate Governance Report" is attached to this Annual report. We have obtained a certificate from a Chartered Accountant on our compliances with clause 49 of the listing agreement with Stock Exchange

MANAGEMENT DISCUSSION AND ANALYSIS:

A report on Management Discussion and Analysis (MDA), forming part of this report, inter-alia, deals adequately with the operation as also current and future outlook of the company.

CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION:

The Chief Executive Officer and Chief Financial Officer Certification as required under Clause 49 of the Listing Agreements and Chief Executive Officer declaration about the Code of Conduct is Annexed to this Report.

COMPANIES ACT, 2013:

The Companies Act, 2013 was notified in the Official gazette of the Government of India on August, 29, 2013. On September 12, 2013 Ministry of Corporate Affairs (MCA) notified 98 sections and on March 27, 2014 the MCA notified another 198 sections which were deemed to come into force on 1st April, 2014.

The MCA wide circular No. 08/2014 dated April 4, 2014 clarified that the financial statements and the documents required to be attached, thereto, the auditors' and directors' report in respect of the financial year under reference shall continue to be governed by the relevant provisions of the Companies Act, 1956, schedules and rules made there under.

The Company has accordingly prepared the balance sheet, profit & Loss a/c, the schedules and notes thereto and the Director's report in accordance with the relevant provisions of the Companies Act, 1956, schedules and rules made there under.

The Company has to take cognizance of the new legislation and shall comply with the provisions of the Companies Act, 2013 as applicable.

ACKNOWLEDGEMENT:

The Board of Directors wishes to express sincere thanks to Bankers, Shareholders, clients, Financial Institutions, customers, suppliers and employees of Companies for extending support during the year.

FOR & ON BEHALF OF THE BOARD

Place: Mumbai
Date: 03/09/2014

Sd/-
Dheeraj Shah
(Managing Director)

Sd/-
Avadhesh Pal
(Director)

CORPORATE GOVERNANCE REPORT

A) COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company continues to practice the principle of good Corporate Governance. It is Company's firm belief that good **CORPORATE GOVERNANCE** is a key to success of business. The Company's philosophy envisages an attainment of highest level of the transparency and accountability in its operations so that Company's goal of creation and maximization of wealth of the shareholders could be achieved. Clause 49 of the Listing Agreement entered with Stock Exchanges incorporate certain mandatory disclosure requirements With regard to Corporate Governance Rules, in this regard we are pleased to report the following:-

B) BOARD OF DIRECTORS

The Board of the Company is well structured with adequate blend of Executive and Independent Directors. The present strength of the Board is of five Directors. Mr. Dheeraj Shah as Managing Director and Chairman Thus the post of Chairman and Managing Director are held by same person.

Since Mr. Dheeraj Shah belongs to the promoter category, at least one half of the Board should comprise of Independent Directors as per Corporate Governance Rules. The Company has structured its Board to comply the said requirement.

Presently, three Directors among five Directors on Board are Independent Directors, namely, Ms. Deepti Lalwani, Mr. Sachin Waman Talgaonkar and Mr. Avedhesh Pannalal Pal. Accordingly, the Company has complied with the Corporate Governance Rules regarding composition of Board of Directors and Mrs. Hiral Kalpesh Mehta as an Executive Director and CFO in KMP category.

None of the directors is a member of more than 10 (ten) Board level committees or is a Chairman of more than 5 (five) such Board level committees as required under Clause 49 of the Listing Agreement.

None of the Director of the Company is a Director in more than 20 Companies as prescribed under section 165 of the Companies Act, 2013.

The composition of the Board of Directors and their attendance at the meetings during the period and at the last Annual General Meeting as also number of other directorships, membership of committees are as follows:

Name of Director	Status	No. of Board meetings Attended	Attendance at last AGM	No. of other Directorships	Committee Membership	
					Chairman	Member
Mr. Dheeraj Shah	M.D	9	Yes	2	-	-
Mr. Sachin Waman Talgaonkar	I.N.E.D	5	No	1	2	2
Mr. Avedhesh Pannalal Pal	I.N.E.D	9	Yes	1	-	2
Ms. Deepti Lalwani	I.N.E.D	1	No	2	-	2
Mrs. Hiral Kalpesh Mehta*	E.D & CFO	-	-	-	-	-

M.D. Managing Director
E.D. Non Executive Director
CFO Chief Financial Officer
I.N.E.D Independent Non Executive Director
* Appointed w.e.f. 04/08/2014

Notes:

During the period ended 31st March 2014, 9 (Nine) Board Meetings were held on the following dates:

30/04/2013, 30/05/2013, 05/07/2013, 23/07/2013, 12/08/2013, 27/08/2013, 14/11/2013, 07/02/2014 and 10/02/2014.

As against the minimum requirement of 4 meetings, the maximum time gap between any two meetings was not more than four calendar months.

C) CODE OF CONDUCT

The Board has laid down a code of conduct for Board members and senior management staff of the Company. The Board members and senior management staff have affirmed compliance with the said code of conduct.

D) AUDIT COMMITTEE

The purpose of Audit Committee is to assist the Board of Directors (the “board”) in reviewing the financial information which will be provided to the shareholders and others, reviewing the systems of internal controls which the management and board have established, appointing, retaining and reviewing the performance of statutory auditors and overseeing the Company’s accounting and financial reporting processes and the audits of the Company’s financial statements.

a) Terms of Reference:

The Company has an audit committee as envisaged in the listing agreement. The terms of reference of audit Committees broadly are as under:

- To hold periodic discussions with the statutory auditors and internal auditors of the Company concerning the financial reports of the Company, internal control systems, scope of audit and observations of the auditors/internal auditors;
- Discussion with internal auditors on significant audit findings and follow up thereon;
- To review compliance with internal control systems;
- To review the quarterly, half yearly and annual financial results of the Company before submission to the Board.
- To make recommendations to the board on any matter relating to the financial management of the Company, including the audit report;
- Recommending the appointment/reappointment of statutory auditors and fixation of their remuneration;
- To review the annual plan and budget before submission to the board.

The scope of the audit committee includes amongst other matters which are set out in clause 49 of the listing Agreement with stock exchanges amended from time to time read with section 177 of the Companies Act, 2013.

b) Composition & Meetings:

The Audit Committee consist the following members. The details of which are provided below:

Name of Director	Designation
Mr. Sachin Waman Talgaonkar	Chairman
Mr. Avedhesh Pannalal Pal	Member
Ms. Deepti Lalwani	Member

c) Disclosures

A summary statement of transactions with related parties was placed periodically before the Audit Committee during the year. During the year under review there were no materially significant related party transactions that may have potential conflict with the interest of the Company at large. Suitable disclosures have been made in the financial statements, together with the Management’s explanation in the event of any treatment being different from that prescribed in accounting standards.

The Company has risk assessment and minimization procedures which are periodically reviewed to ensure that Management identifies and controls risk through a properly defined framework.

E) SHARE TRANSFER COMMITTEE

a) Terms of reference:

The Committee was constituted to specifically look into the redressal of shareholder and investor complaints like transfer of shares, non-receipt of balance sheet and non-receipt of declared dividend.

b) The composition of the Shareholders Grievance Committee is as follows:

Name of Director	Designation
Mr. Sachin Waman Talgaonkar	Chairman
Mr. Avedhesh Pannalal Pal	Member
Ms. Deepti Lalwani	Member

c) Name and Designation of Compliance Officer: Mr. Dheeraj Shah (Managing Director)

F) REMUNERATION COMMITTEE

The Company has constituted a Remuneration Committee with terms of reference to evaluate compensation/commission and benefits for Directors and to frame policies and procedures for Stock Option Plans as approved by the shareholders. This Committee also acts as Nomination Committee and Compensation Committee.

The Remuneration Committee is inter-alia responsible for identifying persons who are qualified to become Directors and who may be appointed as part of senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance. The Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees.

a) **The composition of the Remuneration Committee is as follows:**

Name of Director	Designation
Mr. Sachin Waman Talgaonkar	Chairman
Mr. Avedhesh Pannalal Pal	Member
Ms. Deepti Lalwani	Member

b) **Remuneration Policy:**

The Company while deciding the remuneration package of the directors and senior management personnel takes into consideration the following:

- i) Employment scenario
- ii) Remuneration package in the industry and
- iii) Remuneration package of the managerial talent of other industries.

The Non-Executive Directors (NEDs) are eligible for commission not exceeding an aggregate of 1% of the net profits of the Company but till date company has not paid any Commission and will pay only after the approval of member in general meeting.

The Company pays remuneration by way of salary, perquisites and allowances (fixed component) and commission (variable component) to Chairman & Managing Director as approved by the shareholders of the Company. The Company pays remuneration by way of salary, perquisites and allowances to the Whole Time Director as approved by the Shareholders of the Company. The ceiling on perquisites and allowances as a percentage of salary is fixed by the Board as per Schedule XIII.

c) **Remuneration paid to Directors during the period ended 31st March, 2014**

Name of the Director	Salary	Commission	Sitting Fees	Contribution to Various Funds	Total
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Mr. Dheeraj Babulal Shah	1,20,000	-	-	-	1,20,000
Total	1,20,000	-	-	-	1,20,000

The above amounts do not include provisions for encashable leave, gratuity and premium paid for Group Health Insurance as separate premium.

d) **Shareholding of the Directors in the Company as on 31st March, 2014:**

Name of Director	No. of Shares	% of Shareholding
Mr. Dheeraj Babulal Shah	31,58,650	3.86%
Mr. Sachin Waman Talgaonkar	-	-
Mr. Avedhesh Pannalal Pal	-	-
Ms. Deepti Lalwani	-	-

G) GENERAL BODY MEETINGS

a) The last three Annual General Meetings were held as under:-

Year/Period Ended	Date of Meeting	Time
31st March, 2011	08/08/2011	03:30 P.M
31st March, 2012	28/09/2012	11:30 A.M
31st March, 2013	27/09/2013	10.30 A.M

b) No Extra Ordinary General Meeting was held during the year.

c) No Postal Ballot was conducted by during the year.

H) DISCLOSURES

During the period, there were no transactions materially significant with Company's promoters, directors or management or subsidiaries or their relatives that may have potential conflict with the interests of the Company at large.

There were no instances of non-compliance on any matter related to the Capital Markets during the last three years.

The Company continues to comply with the requirement of Stock Exchange, SEBI or any statutory authority on all matters related to capital market. No penalty or strictures have been imposed on the Company by the said authorities relating to the above.

I) MEANS OF COMMUNICATION.

Quarterly, Half Yearly and Yearly financial results are sent to the Stock Exchanges immediately after they are approved by the Board.

J) GENERAL INFORMATION FOR MEMBERS

(i)	Annual General Meeting - The 62 nd Annual General Meeting of the Company will be held on 30/09/2014 at 7A/8A, Kailash Parbat, Crystal Plaza, Opp. Infinity Mall, New Link Road, Andheri (West), Mumbai- 400053 at 12:00 P.M.	
(ii)	Financial Calendar	Last AGM held on 27/09/2013
	First Quarter Results Declared	Second Week of August, 2013
	Second Quarter Results Declared	Second Week of November, 2013
	Third Quarter Results Declared	Second Week of February, 2014
	Fourth Quarter Results Declared	Forth Week of May, 2014
(iii)	Book Closure date	16/09/2014 to 17/09/2014
(iv)	Dividend payment date	Not applicable
(v)	Listing of Equity Shares	Bombay Stock Exchange Listing fees is duly paid to the BSE Limited as per listing Agreement for F.Y. 2014-15
(vi)	Stock Code BSE Code	531502

(vii)	Demat ISIN Numbers in NSDL & CDSL	INE404L01021 for Equity Shares
(vii)	Regd. Office	23-A, 12, Akash C.H.S., Talawad Nagar, Ashok Nagar, Kandivali (East), Mumbai: 400101
(viii)	Registrar & Transfer Agents and Share Transfer System	All documents, transfer deeds, demat requests and other communication in relation thereto should be addressed to the R & T Agents at its following address: Purva Share registry (India) Pvt Ltd. 9, Shiv Shakti Industrial Estate, J.R. Boricha Marg, Lower Parel (E), Mumbai - 400 011 Share transfers in physical form are processed within about 2 weeks from the date of receipt of the valid and completed documents.
(ix)	Investor Relation Officer	Dheeraj Babulal Shah
(x)	Share Transfer System as per listing Agreement and Companies Act, 2013.	

K) Stock Market Data at BSE:

Month	High	Low	Close	No. of Shares
April, 2013	17.70	11.51	17.70	1050650
May 2013	27.25	18.05	27.25	808708
June, 2013	39.85	27.75	39.20	914109
July, 2013	42.10	35.00	37.40	1116259
Aug, 2013	45.20	34.55	45.20	2158272
Sept, 2013	56.60	46.10	55.80	2160668
Oct, 2013	57.50	47.50	47.50	1567769
Nov, 2013	47.25	38.50	43.85	2137815
Dec, 2013	52.65	39.65	52.65	5829613
Jan, 2014	63.00	45.70	45.70	6379539
Feb, 2014	59.90	41.40	59.90	4060206
March, 2014	64.05	43.50	46.80	4885687

L) DISTRIBUTION OF SHAREHOLDING AS ON 31st March, 2014

Shareholders			Shareholding	
No. of Shares	Nos.	%	Holding in Rs.	%
1-5000	349	49.15	415936	0.51
5001-10000	29	4.08	238665	0.29
10001-20000	48	6.76	844035	1.03
20001-30000	34	4.79	927664	1.13
30001-40000	20	2.82	719725	0.88
40001-50000	25	3.52	1197842	1.46
50001-100000	54	7.61	4362260	5.33
100001- and above	151	21.27	73063873	89.35
Total	710	100.00	81770000	100.00

M) SHAREHOLDING PATTERN AS ON 31.03.2014

Category	No. of Shares held	Percentage of Shareholding
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A	Promoter's Holding		
1	Promoters		
	- Indian Promoters	3158650	3.86
	- Foreign Promoters	-	-
2	Persons acting in concert	-	-
	Sub - Total	3158650	3.86
B	Non-Promoter's Holding		
3	Institutional Investors	-	-
a)	Mutual Funds and UTI	1786000	2.18
b)	Banks, Financial Institutions, Insurance Companies	-	-
	(Central/State Govt. Institutions/Non Government Institutions)	-	-
C	FII's	-	-
	Sub - Total	1786000	8.24
4	Others	-	-
a)	Private Corporate Bodies	36646041	44.82
b)	Indian Public	39970175	48.89
c)	NRI's/OCB's - NRI'S	-	-
d)	Any Other (Please specify) - Clearing Members	209134	0.26
	Sub-Total	76825350	93.95
	GRAND TOTAL	81770000	100%

(xi)	Dematerialization of shares	As on 31st March, 2014, 93.71% of the Company's Shares representing 7,66,27,702 Share were held in dematerialized form and the balance 51,42,298 Shares were held in physical form.
(xii)	Investor Correspondence	For transfer/ dematerialization of shares payment of dividend on shares, interest and redemption of debentures, and any other query relating to the shares and debentures of the Company. Purva Share registry (India) Pvt Ltd. 9, Shiv Shakti Industrial Estate, J.R. Boricha Marg, Lower Parel (E), Mumbai - 400 011
	Any other query	ESAAR (INDIA) LTD. At Regd. Office : 23-A, 12, Akash C.H.S. Talawad Nagar, Ashok Nagar, Kandivali (East), Mumbai: 400101
(xv)	Nomination facility	Individual shareholders holding physical shares can nominate any person for the shares held by them. This will save the nominee from going through the lengthy process of getting the shares later on transmitted to his/her name. For further details, shareholders may write to the Registrar and Share Transfer Agent or the Company in this regard.
(xvi)	Outstanding GDRS/ADRS/Warrants or any Convertible Instruments, Conversion date and likely impact on Equity	The Company does not have any outstanding GDRs/ADRs/Warrants or any Convertible Instruments, which is likely to have any impact on the equity of the Company.
(xvii)	Reconciliation of Share Capital Audit	The Securities and Exchange Board of India has directed vide Circular No. D&CC/FITC/CIR-16/2002 dated 31st December, 2002 that all issuer companies shall submit a certificate of capital integrity, reconciling the total shares held in both the depositories, viz. NSDL and CDSL and in physical form with the total issued/paid up capital. The said certificate duly certified by a Practicing Company Secretary is submitted to the Stock Exchanges within 30 days of the end of each quarter.

MANAGEMENT DISCUSSIONS & ANALYSIS REPORT

Your Directors are pleased to present the Management Discussion and Analysis Report for the year ended 31st March, 2014.

The management discussion and analysis have been included in consonance with the code of corporate governance as approved by The Securities and Exchange Board of India (SEBI). Investors are cautioned that these discussions contain certain forward looking statements that involve risk and uncertainties including those risks which are inherent in the Company's growth and strategy. The company undertakes no obligation to publicly update or revise any of the opinions or forward looking statements expressed in this report consequent to new information or developments, events or otherwise.

The management of the company is presenting herein the overview, opportunities and threats, initiatives by the company and overall strategy of the company and its outlook for the future. This outlook is based on management's own assessment and it may vary due to future economic and other future developments in the country.

INDIAN ECONOMY OVERVIEW:

The financial year gone by, 2013-14 in India, was marred by continued low GDP growth, declining industrial output, decline in investments, higher inflation, lower quality of bank assets, high current account deficit, which has been brought down drastically through affirmative policy action, and depreciation in the domestic exchange rate.

The weakness in the Indian economy persisted in F.Y.14 with GDP growth as per the advance estimates showing a growth of 4.86%, marginally higher than the 4.5% of F.Y.13. The country has been witness to a sharp drop in its economic growth from an average 8.2% during F.Y.04-F.Y.12 to sub 5% in FY13 and FY14. The NBFC business segment is dominated by several very large companies. Our Company also being a small NBFC (Non Public Deposit Taking) Our Company mainly involved in share trading and in providing fund based financial services and funding solutions to the Indian Corporate, Institutions, SME's etc.

The operations of the company are centered in Financial Service Business. Your Company, along with its associates, forms an integrated financial services group providing wide range of services to its clients. The organization structure is designed to be flexible and customer focused to ensure effective control, supervision and consistency in standards across the organization.

INDUSTRY STRUCTURE AND DEVELOPMENT:

The Non Banking Financial Companies (NBFCs) have emerged as substantial contributors to the Indian economic growth by providing financial services, enhancing competition and diversification of financial Sector. It is a heterogeneous group of institutions (other than commercial and co-operative banks) performing financial intermediation in a variety of ways like accepting deposits, making loans and advances, providing financial advisory, wealth management, leasing, hire purchase etc. With the growing importance assigned to financial inclusion, NBFCs have come to be regarded as important financial intermediaries particularly for small-scale and retail sectors. The NBFCs as a whole account for 12.3 per cent of assets of the total financial system.

In the recent years, NBFCs are getting edge over the banks and financial institutions due to their customer oriented services, simplified procedures, attractive rates of return on deposits, flexibility and timeliness in meeting the credit needs of specified sectors etc. The Reserve Bank of India regulates the operations of NBFCs. For strengthening and developing the NBFC sector, the Reserve Bank of India has issued new guidelines during the year like introduction of Non-Banking Financial Company-Micro Finance Institution (NBFC-MFI), a new category of NBFCs for the purpose of extending loans to micro finance sector, allowing the NBFCs to sponsor Infrastructure Debt Funds as Mutual Funds. More stringent norms are introduced by Reserve Bank of India (RBI) for NBFCs' like

Provisioning for standard assets, Capital Adequacy, Fair Practice Code, Monitoring and Prevention of Frauds, Submission of specified returns, Know Your Customer (KYC) guidelines/Anti money Laundering Standards etc to help better utilization of resources and better delivery of services

Your Company is categorized as Systemically Important Non-deposit taking NBFCs (NBFCs-ND) and mainly doing investment activities with long term perspective as well as doing trading business and lending activities to avail the benefits of short term investment/financial opportunities in the present market conditions.

FINANCIAL HIGHLIGHTS:

During the year Company's total income including other income registering a gradual hike of 15.12%, as compared to the previous year. In spite of an increase in total tone over, the company has registered a net loss of Rs.(45.44) Lacs against the profit of Rs. 3.34 Lacs in the previous year, mainly because of excessive purchases and increase in administrative expenses as compared to the previous year.

Particulars	(Amt. in Lacs)	
	Year Ended 31/03/2014	Year Ended 31/03/2013
Total Income	1572.33	1365.82
EBITD	(66.47)	5.03
PBT	(66.47)	5.03
PAT	(45.44)	3.34
EPS	(0.56)	0.00

RISK AND CONCERNS:

The Company is exposed to specific risks that are particular to its business and the environment within which it operates including economic cycle, market risks, competition risk, interest rate volatility, human resource risk and execution risk, etc. The Company manages these risks by maintaining a conservative financial profile and by following prudent business and risk practices. Being engaged in the business in a highly regulated industry; we are presented with risk containment measures in the very regulations. The company's business could potentially be affected by the following factors:-

- Sharp movement in prevailing interest rates in the market.
- Impact of markets on our revenues and investments, sustainability of the business across cycles
- Risk that a client will fail to deliver as per the terms of a contract with us or another party at the time of settlement.
- Risk due to uncertainty of a counter party's ability to meet its financial obligations to us.
- Inability to conduct business and service clients in the event of a contingency such as a natural calamity breakdown of infrastructure, etc.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

Your Company has a proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that transaction are authorised, recorded and reported correctly. The Company has an extensive system of internal control which ensures:

- Compliance of the company with applicable statutes, policies procedures, listing requirements and management regulations.
- Transaction are being accurately recorded and verified.
- Adherence to applicable accounting standards and polices.

OPPORTUNITIES AND THEREATS:

Some of the key trends of the industry that are favorable to the company to exploit these emerging opportunities are:

- Clients are more comfortable with uniform high quality and quick finance and security process across the enterprise.
- The company since involved in the Finance business for a very long time there are good prospects for expanding further activities in this direction.
- Leadership in sophisticated solutions that enable our clients to optimize the efficiency of their business.
- Commitment to superior quality and process execution.
- Strong brand and long-standing client relationships.
- Status as an employer of choice.
- Innovation and leadership.

Some of the key changes in the industry unfavorable to the company are:

- Heightened competition
- Increasing cost of Finance
- Increasing Compliances

INITIATIVES BY THE COMPANY:

The company has taken following initiatives'

- Every effort is being made to locate new client base to boost its finance business by providing Finance quickly and easily.
- The company is endeavoring to penetrate into newer Financial Activities and market.

SEGMENT WISE OR PRODUCT WISE PERFORMANCE:

The disclosure requirement of Accounting Standard 17, issued by the Institute of Chartered Accountants of India is not applicable as the main business activities of the Company falls under single segment namely 'Investment Activities'.

FULFILLMENT OF RBI NORMS AND STANDARDS:

The Company continues to fulfill all applicable norms and standards laid down by the Reserve Bank of India pertaining to prudential norms, income recognition, accounting standards, asset classification and provisioning of bad and doubtful debts as applicable to NBFC's (ND).

OUTLOOK:

This section contains forward – looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these statements.

As the industrial and economic growth of the country is showing steady improvement. There is no perceived risk and concern in this area of business and there is an ample scope for growth in India itself.

Forward looking statements are based on certain assumptions and expectations of the future events that are subject to risks and uncertainties. Actual future results and trend may differ materially from historical results, depending on variety of factors. There risk and concerns faced by the Company are similar to those faced by any growing organization in today dynamic industrial and economic scenario.

HUMAN RESOURCES/INDUSTRY RELATIONS:

Your Company firmly believes that its employees are the key to driving performance and developing competitive advantage. The emphasis has been on proper recruitment of talent and empowerment while devoting resources for their continuous development.

The basic objective has been to unlock the people potential and further developing their functional operational and behavioral competencies so as to build a team of dedicated employees who work with passion, zeal and a sense of belongingness and play a defining role in significantly accelerating the growth and transformation of the Company, thereby, consolidating its position in the market.

CAUTIONARY STATEMENT:

Statement in the Management Discussion and analysis describing the company's objectives exceptions or predications may be forwards looking within the meaning of applicable securities, laws and regulations. Actual results may differ materially from those expressed in the statement. Several factors could make significant difference to the company's operation. These include climatic conditions and economic conditions affecting demand and supply, government regulations and taxation, natural calamities etc. over which the company does not have any control.

CEO / CFO CERTIFICATION

To,
The Board of Directors,
ESAAR (INDIA) LIMITED
 23-A, 12, Akash C.H.S. Talawad Nagar,
 Ashok Nagar, Kandivali (East),
 Mumbai: 400101

We hereby certify that:

1. We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2014 and that to the best of our knowledge and belief;
 - a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - b) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. No transaction is entered into by the company during the year which is fraudulent, illegal or violate of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of and the which we are aware steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the auditors and the Audit Committee:
 - a) Significant changes in internal control over financial reporting during the year.
 - b) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - c) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Mumbai
Date: 03/09/2014

For Esaar (India) Ltd

Sd/-
Dheeraj Shah
(Managing Director)

COMPLIANCE CERTIFICATE

To,
The Members of
ESAAR (INDIA) LTD

It is hereby certified and examined that as provided in Clause 49 I (D) of the listing agreement with the stock exchanges, the Board members and the Senior Management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended 31st March, 2014.

Registered Office:
 23-A, 12, Akash C.H.S.
 Talawad Nagar, Ashok Nagar,
 Kandivali (East), Mumbai: 400101.
Date: 03/09/2014

For Esaar (India) Limited

Sd/-
Dheeraj Shah
(Managing Director)

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
ESAAR (INDIA) LIMITED.

1. We have examined the compliance of Corporate Governance by M/s. Esaar (India) Ltd for the period ended on 31st March, 2014 as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges.
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has generally complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Pravin Chandak and Associates
(Chartered Accountants)
Firm Registration No: 116627W

Sd/-
Pravin Chandak
(Partner)
Membership Number: 049391

Place: Mumbai
Date: 29th May, 2014

AUDITOR'S REPORT

**To The Members
Esaar (India) Limited**

Report on the Financial Statements

We have audited the accompanying financial statements of Esaar (India) Limited ("The Company") which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year ended March 2014, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

Basis for Qualified Opinion

The Company is registered as Non Banking Financial Companies (NBFC), having Certificate of Registration under Section 45 IA of RBI Act, 1934. The Company has not complied few NBFC prudential norms as prescribed by Reserve Bank of India from time to time as mentioned in Note no.22.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion Paragraph, the 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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 2014;
- (b) in the case Statement of Profit and Loss Account, of the profit for the year ended March 2014 and
- (c) in the case of Cash Flow Statement, of the cash flows for the year ended March 2014.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that :

- a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
- c. The Balance Sheet and Statement of Profit and Loss dealt with by this Report are in agreement with the books of account
- d. In our opinion, the Balance Sheet, Statement of Profit and Loss, comply with the Accounting Standards referred to in sub-section (3C) of section 211 of Companies Act, 1956.
- e. On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

**For Pravin Chandak and Associates
(Chartered Accountants)
Firm Registration No: 116627W**

**Sd/-
Pravin Chandak
(Partner)
Membership Number: 049391**

**Place: Mumbai
Date: 29th May, 2014**

**ANNEXURE TO THE AUDITOR'S REPORT ON THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31ST MARCH, 2014**

(Referred to in point 1 of "Report on Other Legal and Regulatory Requirements" of our Report of even date to the members of Esaar (India) Limited on the financial statements for the year ended 31st March, 2014)

1. In respect of its fixed assets:
 - a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - b. As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c. In our opinion, the Company has disposed off some fixed assets during the year but it is not substantial as to affect the going concern status of the Company.
2. As informed to us, the inventories held in dematerialized form, have been verified by the management with supportive evidence during the year. In our opinion the frequency of verification is reasonable. In our opinion, the procedures for physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business. On the basis of our examination the records of inventory, we are of the opinion that Company is maintaining proper records of inventory. We are informed that no discrepancies were noticed on physical verification.
3. (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
 - (b) No loans have been given by the company hence clause 4 (iii) (b) is not applicable to the company.
 - (c) No loans have been given by the company hence clause 4 (iii) (c) is not applicable to the company.
 - (d) No loans have been given by the company hence clause 4(iii) (d) is not applicable to the company.
 - (e) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
 - (f) No loans have been taken by the company hence clause 4 (iii) (f) is not applicable to the company.
 - (g) No loans have been taken by the company hence clause 4(iii) (g) is not applicable to the company.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for the sale of goods. In our opinion and according to the information and explanations given to us, there is no continuing failure to correct major weaknesses in internal control.
5. According to the information and explanations given to us, we are of the opinion that the company has not entered into any contracts or arrangements referred to in section 301 of the Companies Act, 1956.
6. No deposits, within the meaning of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and rules framed there under have been accepted by the Company.
7. The company does not have adequate internal audit system commensurate with size of the Company and nature of its business.
8. According to the information and explanation given to us the maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for any of the activities of the company.
9. (a) The Company is regular in depositing undisputed statutory dues including Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess and other material statutory dues applicable to the company with the appropriate authorities. No undisputed amounts payable in respect of the aforesaid statutory dues were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.

- b) According to the records of the Company, there are no dues of Income Tax, Sales Tax, Service Tax, Customs Duty, Wealth Tax, Excise Duty, cess which have not been deposited on account of any dispute.
10. Accumulated losses of the company as at 31st March, 2014 do not exceed fifty percent of its net worth at the end of the financial year. The company has incurred cash losses of Rs.63,82,946/- during the financial year covered by our audit but had not incurred any cash losses during the immediately preceding financial year.
 11. According to the records made available to us and information and explanations given to us by the management, the company has not taken any financial assistance from any financial institutions or banks. Accordingly Clause 4(xi) of Companies (Auditor's Report) Order, 2003 is not applicable.
 12. According to the information given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
 13. In our opinion, the company is not a chit fund or a Nidhi/ Mutual Benefit Fund/ Society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
 14. The Company has maintained proper records of the transactions and contracts for dealing or trading in shares, securities, debentures and other investments and timely entries have been made therein. All shares, securities, debentures and other investment have been held by the company, in its own name except to the extent of the exemption granted under section 49 of the Companies Act, 1956.
 15. In our Opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Banks or Financial Institutions during the year.
 16. As per the information and records furnished to us, the Company has not accepted any term loans. Accordingly Clause 4(xvi) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
 17. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, in our opinion, the funds raised on short-term basis have, prima facie, not been used for long-term investment.
 18. According to the information and explanations given to us, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
 19. During the financial year, company had not issued any debenture. Accordingly Clause 4(xviii) of Companies (Auditor's Report) Order, 2003 is not applicable.
 20. The Company has not raised any money by way of public issue during the year. Accordingly Clause 4(xx) of Companies (Auditor's Report) Order, 2003 is not applicable.
 21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For Pravin Chandak and Associates
(Chartered Accountants)
Firm Registration No: 116627W

Sd/-
Pravin Chandak
(Partner)
Membership Number: 049391

Place: Mumbai
Date: 29th May, 2014

***Non - Banking Financial Companies Auditor's Report
(Reserve Bank) Directions, 2008***

To,
The Board of Directors
M/s Esaar (India) Limited
23-A, 12, Akash Co-op Hsg Soc
Talawad Nagar, Ashok Nagar,
Kandivali (East), Mumbai - 400101

As required by the Non Banking Financial Companies Auditors Report (Reserve Bank) Directions, 2008 issued by Reserve Bank of India, on the matters specifies in Para 3 and 4 of the said directions to the extent applicable to the company and according to the information and explanations given to us for the purpose of audit for the year ended 31st March 2014 we report that:

1. We hereby state that M/s Esaar (India) Limited is engaged in the business of Non Banking Financial Institution and it has obtained a Certificate of Registration from the Reserve Bank of India.
2. The company is entitled to hold such Certificate of Registration in terms of its assets/income pattern as on 31st March, 2014.
3. The Board of Directors has passed a resolution for non acceptance of any public deposits in its meeting held on 30th April, 2013.
4. The Company has not accepted any public deposits during the year ended 31st March, 2014.
5. The Company has not complied with few prudential norms as applicable to it in terms of Non Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007, the same is disclosed in Notes to Accounts in point no. 22.

For Pravin Chandak and Associates
(Chartered Accountants)
Firm Registration No: 116627W

Sd/-
Pravin Chandak
(Partner)
Membership Number: 049391

Place: Mumbai
Date: 29th May, 2014

Schedule to the Balance Sheet of a Non-Deposit Taking Non-Banking Financial Company

Sr. No.	Particulars	Amount in Rs.
Liabilities side:		
1	Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:	
	(a) Debentures : Secured : Unsecured (other than falling within the meaning of public deposits*)	NIL
	(b) Deferred Credits	NIL
	(c) Term Loans	NIL
	(d) Inter corporate loans and borrowing	Rs. 5,08,40,000/-
	(e) Commercial Paper	NIL
	(f) Other Loans (Demand Loan)	Rs. 14,57,35,512/-
	Total	Rs. 19,65,,75,512/-
Assets side:		
2	Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:	
	(a) Secured	NIL
	(b) Unsecured	Rs. 27,51,08,625/-
3	Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities	
	(i) Lease assets including lease rentals under sundry debtors:	NIL
	(a) Finance lease	NIL
	(b) Operating lease	NIL
	(ii) Stock on hire including hire charges under sundry debtors:	NIL
	(a) Assets on hire	NIL
	(b) Repossessed Assets	NIL
	(iii) Other loans counting towards AFC activities	NIL
	(a) Loans where assets have been repossessed	NIL
	(b) Loans other than (a) above	NIL
4	Break-up of Investments	
	Current Investments:	
	1) Quoted:	NIL
	(i) Shares: (a) Equity (b) Preference	NIL
	(ii) Debentures and Bonds	NIL
	(iii) Units of Mutual Funds	NIL
	(iv) Government Securities	NIL
	(v) Others (please specify)	NIL
	2) Unquoted:	
	(i) Shares: (a) Equity	NIL

	(b) Preference	
	(ii) Debentures and Bonds	NIL
	(iii) Units of Mutual Funds	NIL
	(iv) Government Securities	NIL
	(v) Others (please specify)	NIL
	Long Term Investments:	
	1) Quoted:	NIL
	(i) Shares: (a) Equity (b) Preference	NIL
	(ii) Debentures and Bonds	NIL
	(iii) Units of Mutual Funds	NIL
	(iv) Government Securities	NIL
	(v) Others (please specify)	NIL
	2) Unquoted:	
	(i) Shares: (a) Equity (b) Preference	NIL
	(ii) Debentures and Bonds	NIL
	(iii) Units of Mutual Funds	NIL
	(iv) Government Securities	NIL
	(v) Others (please specify)	NIL
5	Borrower group-wise classification of assets financed as in (2) and (3) above:	
	1) Related Parties	
	(a) Subsidiaries	NIL
	(b) Companies in the same group	NIL
	(c) other related parties	NIL
	2) Other than related parties	Rs. 27,51,08,625/-
	Total	Rs. 27,51,08,625/-
6	Investor group-wise classification of all investments (current and long term) in Shares and securities (both quoted and unquoted):	
	1) Related Parties	
	(a) Subsidiaries	NIL
	(b) Companies in the same group	NIL
	(c) other related parties	NIL
	2) Other than related parties	NIL
	Total	NIL
7	(i) Gross Non-Performing Assets	
	(a) Related Parties	NIL
	(b) Other than related parties	NIL
	(ii) Net Non-Performing Assets	
	(a) Related Parties	NIL
	(b) Other than related parties	NIL
	(iii) Assets acquired in satisfaction of debt	NIL

ESAAR (INDIA) LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

(Amount in Indian Rupees)

PARTICULARS	NOTES	31ST MARCH, 2014	31ST MARCH, 2013
INCOME			
Revenue from operations	14	157,230,524	136,582,578
Other Income	15	2,000	-
Total Income (I)		157,232,524	136,582,578
EXPENSES			
Purchase of traded goods		147,932,556	122,615,355
(Increase)/decrease in inventories of traded goods		6,422,619	9,594,411
Employee Benefits expense	16	1,289,526	2,542,843
Depreciation	8	264,015	1,014,772
Finance Charges	17	703,284	562
Other expenses	18	625,555	313,059
Total Expenses (II)		157,237,555	136,081,002
Profit for the year before exceptional & extraordinary	(I - II)	(5,031)	501,576
Exceptional and Extraordinary items		6,641,929	
Profit for the year before Tax		(6,646,960)	
Tax Expenses :			
Current Tax		66,989	446,699
Tax of earlier years		-	-
Deferred Tax		(2,169,290)	(278,355)
Profit/(Loss) for the period		(4,544,659)	333,232
Earning per equity share:			
Basic		(0.056)	0.0004
Diluted		(0.056)	0.0004
Notes Forming Part of Financial Statements	1-30		

For Pravin Chandak & Associates
Chartered Accountants
(Firm Registration No.116627W)

Sd/-
Pravin Chandak
Partner
Membership No. 049391

Place : Mumbai
Date : 29th May, 2014

For and on behalf of the Board of Directors
of Esaar (India) Limited

Sd/-
Dheeraj Shah
(Managing Director)

Sd/-
Avedhesh Pal
(Director)

Sd/-
Sachin Talgaonkar
(Director)

ESaar (INDIA) LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(Amount in Indian Rupees)

Particulars	Year Ended 31st March, 2014		Year Ended 31st March, 2013	
Cash Flow from Operating Activities				
Profit Before Tax and Extraordinary items		(5,031)		502,700
(As per Profit and Loss Account)				
Adjustments for:				
Interest on Loan		703,284		
Depreciation		264,015		1,014,772
Operating Profit before Working Capital Changes		962,268		1,517,472
Adjustments for:				
(Increase)/Decrease in Inventories	6,422,619		9,594,411	
(Increase)/Decrease in Trade Receivables	(1,525,172)		-	
(Increase)/Decrease in Other Receivables	(25,687,438)		44,373,586	
(Increase)/Decrease in Balance with Statutory Authorities	(994,062)			
Increase/(Decrease) in Current Liabilities	26,794,861	5,010,809	(64,003,299)	(10,035,302)
Cash Generated From Operations		5,973,077		(8,517,830)
Less: Income Tax Paid		66,989		1,471,730
Cash Inflow Before Prior Period Adjustments		5,906,088		(9,989,560)
Less : Prior Period Adjustment		0		-
Net Cash from / (Used in) Operating Activities A		5,906,088		(9,989,560)
Cash Flow from Investing Activities				
Proceeds from Sale of fixed assets	6,993,419			
Loss on sale of Fixed Assets	(6,641,929)	351,490		
Net Cash from / (Used in) Investing Activities B		351,490		-
Cash Flow from Financing Activities				
Interest on Loan	(703,284)			
Net Cash from Financial Activities C		(703,284)		-
Net Increase/ Decrease in Cash and Cash Equivalents (A+B+C)		5,554,294		(9,989,560)
Cash and Cash Equivalents-Opening Balance		237,845		10,227,405
Cash and Cash Equivalents-Closing Balance		5,792,139		237,845

For Pravin Chandak & Associates
Chartered Accountants
(Firm Registration No.116627W)

Sd/-
Pravin Chandak
Partner
Membership No. 049391

Place : Mumbai
Date : 29th May, 2014

For and on behalf of the Board of Directors
of Esaar (India) Limited

Sd/-
Dheeraj Shah
(Managing Director)

Sd/-
Avedhesh Pal
(Director)

Sd/-
Sachin Talgaonkar
(Director)

ESaar (INDIA) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENT AS AT 31ST MARCH, 2014

(Amount in Indian Rupees)

PARTICULARS	31ST MARCH, 2014	31ST MARCH, 2013
2 Share Capital		
Authorized		
15,50,00,000 Equity Shares of Rs. 1 each (Previous year 15,50,00,000 Equity Shares of Rs. 1 Each)	155,000,000	155,000,000
Total Authorized Share Capital	155,000,000	155,000,000
Issued, Subscribed and Paid up		
8,17,70,000 Equity Shares of Rs. 1 each (Previous year ,8,17,70,000 Equity Shares of Rs. 1 Each)	81,770,000	81,770,000
Total Issued, Subscribed And Fully Paid Up Share Capital	81,770,000	81,770,000

Equity Shares of Rs. 10 each were divided in Equity Shares of Rs. 1 each during the year

a. Reconciliation of shares outstanding at the beginning and at the end of the reporting period

Equity shares	31st March, 2014		31st March, 2013	
	Numbers	Rs.	Numbers	Rs.
At the beginning of the period	81,770,000	81,770,000	81,770,000	81,770,000
Issued during the period	-	-	-	-
Bought back during the period	-	-	-	-
Outstanding at the end of the period	81,770,000	81,770,000	81,770,000	81,770,000

b. Terms/rights attached to equity shares

The Company has only one class of Equity Shares having par value of Rs.1/- Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holder of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.

C. Details of shareholders holding more than 5% shares in the company

Equity shares of Rs. 1 each fully paid	31st March, 2014		31st March, 2013	
	Numbers	% holding in the class	Numbers	% holding in the class
Dheeraj Babulal Shah	-	-	4,974,300	6.08
Vishal Vijay Shah	-	-	5,642,831	6.90
Total	-	-	4,974,300	12.98

ESAR (INDIA) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENT AS AT 31ST MARCH, 2014

(Amount in Indian Rupees)

PARTICULARS	31ST MARCH, 2014	31ST MARCH, 2013
3 Reserve & Surplus		
Securities Premium reserve		
Balance as per last financial statements	135,144,490	135,144,490
Add: New Equity shares issued during the year	-	-
Closing balance	<u>135,144,490</u>	<u>135,144,490</u>
Statutory Reserves		
Balance as per last financial statements	2,051,791	1,984,920
Add: Transferred from statement of Profit and Loss	-	66,871
Closing balance	<u>2,051,791</u>	<u>2,051,791</u>
Surplus/(Deficit) in the Statement of Profit and Loss		
Balance as per last financial statements	3,770,852	3,503,368
Profit/ (loss) for the year	(4,544,659)	334,355
Less: Appropriations		
Transferred to Statutory Reserve		66,871
Closing balance	<u>(773,807)</u>	<u>3,770,852</u>
Total Reserves and Surplus	<u>136,422,474</u>	<u>140,967,133</u>
4 Short Term Borrowings		
Unsecured Loan Repayable on Demand		
From Related Parties	-	-
From other parties	196,575,512	-
Total Short Term Borrowings	<u>196,575,512</u>	<u>-</u>
5 Trade Payables		
Trade payables	89,672	131,474
Total Trade Payables	<u>89,672</u>	<u>131,474</u>
6 Other Current Liabilities		
Advance Received	-	169,450,502
Duties & Taxes Payable	9,154	5,802
Other Current Liabilities	75,000	-
Total Other Current Liabilities	<u>84,154</u>	<u>169,456,304</u>
7 Short Term Provisions		
Provision for Income Tax	80,000	446,699
Total Of Short Term Provisions	<u>80,000</u>	<u>446,699</u>
9 Inventories		
(As certified by management)		
Stock-in-trade	129,026,869	135,449,488
Total Inventories	<u>129,026,869</u>	<u>135,449,488</u>

ESAAR (INDIA) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENT AS AT 31ST MARCH, 2014

(Amount in Indian Rupees)

PARTICULARS	31ST MARCH, 2014	31ST MARCH, 2013
10 Trade Receivables		
Unsecured, considered good		
Outstanding for a period exceeding six months from the date	-	-
Others	1,525,172	-
Total Trade Receivables	<u>1,525,172</u>	<u>-</u>
11 Cash and Cash Equivalents		
Cash on hand	876,286	24,542
Balance with bank	4,915,852	213,303
Total Cash And Cash Equivalents	<u>5,792,139</u>	<u>237,845</u>
12 Short Term Loans and Advances		
Loan and advances unsecured considered good		
Loans and advances to related parties	-	-
Loans and advances to others	275,108,625	249,421,187
Deposits	85,781	84,679
Balance with statutory/government authorities	3,320,567	2,327,608
Total Short Term Loans And Advances	<u>278,514,974</u>	<u>251,833,474</u>

ESWAR (INDIA) LIMITED

NOTE 8: FIXED ASSETS

(Amount in Indian Rupees)

ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	AS ON 01.04.2013	ADD/(DED) DURING THE YEAR	AS ON 31.03.2014	UPTO 31.03.2013	ADD./ (DED.) DURING THE YEAR	UPTO 31.03.2014	AS ON 31.03.2014	AS ON 31.03.2013	
Plant & Machinery	20,102,926	-	13,210,996	12,949,585	240,573	13,190,158	20,838	7,153,341	
Vehicles	513,033	-	411,544	399,259	12,285	411,544	-	113,774	
Office Equipments	578,004	-	578,004	533,832	11,156	544,988	33,016	44,172	
TOTAL Rs.	21,193,963	-	14,200,544	13,882,676	264,015	14,146,691	53,853	7,311,287	
Previous Year	21,193,963	-	21,193,963	12,867,504	1,014,772	13,882,676	7,311,287	8,326,059	

ESAAR (INDIA) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENT AS AT 31ST MARCH, 2014

(Amount in Indian Rupees)

PARTICULARS	31ST MARCH, 2014	31ST MARCH, 2013
14 Revenue From Operations		
Sales	137,648,942	121,087,530
Interest	19,581,582	15,495,048
Total Revenue from Operations	157,230,524	136,582,578
15 Other Income		
Dividend	2,000	-
Total other Income	2,000	-
16 Employee Benefits Expense		
Directors Remuneration	120,000	120,000
Salaries	1,155,716	2,412,047
Staff Welfare expenses	13,810	10,796
Total Employee Benefits Expense	1,289,526	2,542,843
17 Finance Charges		
Interest on loan	682,351	-
Bank Charges	20,933	562
Total Finance Charges	703,284	562
18 Other Expenses		
Auditors Remuneration		
As Audit fee	40,000	40,000
For certification	-	4,000
Advertisement	25,403	21,531
Computer Expenses	1,797	40,312
Demat Charges	62	-
Depository Charges	-	7,558
Electricity	7,990	14,026
Office Expenses	7,855	8,628
Listing Fees	25,000	25,000
Printing & Stationery	9,080	10,157
Postage & Courier	19,575	20,470
Professional Fees	-	18,000
ROC Charges	2,000	7,600
Share Transfer charges	66,168	54,095
Service Tax	19,254	14,365
Transaction Charges	381,821	-
Telephone Charges	7,590	13,871
Travelling and Conveyance	11,960	12,322
Total Other Expenses	625,555	313,059
19 Exceptional and Extraordinary Items		
Loss on sale of Fixed Assets	6,641,929	-
Total Exceptional and Extraordinary Items	6,641,929	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation of financial statements

The financial statements are prepared in accordance with Generally Accepted Accounting Principles ("GAAP") in India under the historical cost convention, on accrual basis. GAAP comprises mandatory Accounting Standards issued by the Companies (Accounting Standards) Amendment Rules, 2008 and the relevant provisions of the Companies Act, 1956. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

b) Use of Estimates

The Preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision to the accounting estimates is recognized prospectively.

c) Revenue recognition

1. Income from Operation is recognised upon transfer of significant risks and rewards of ownership to the buyer.
2. Other Income is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.
3. Dividend is recognised when the shareholders' right to receive payment is established at the balance sheet date.

d) Fixed Assets

Fixed assets are stated at cost, less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use. Capital work in progress includes expenditure incurred till the assets are put into intended use.

e) Depreciation

Depreciation is provided using the Straight Line Method at the rates and in the manner as prescribed under schedule XIV of the Companies Act, 1956. In case of Software, the same is amortized over a period of five years.

f) Impairment of assets

The carrying amounts of assets are reviewed at each balance sheet dates and if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, then such loss is reversed and the asset is restated to extent of the carrying value of the asset that would have been determined (net of amortization / depreciation), had no impairment loss been recognized.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

g) Investments

Investments that are readily realizable and intended to be held for not more than one year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost or fair value determined on individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary decline in the value of the investments.

h) Taxation

Tax expense comprises of current income tax and deferred income tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits. At each balance sheet date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. Minimum Alternative Tax (MAT) credit is recognised as an asset and carried forward only if there is a reasonable certainty of it being set off against regular tax payable within the stipulated statutory period.

i) Foreign Currency Transactions

Transactions in foreign currency are recorded at the rate of exchange in force on the date of the transactions. Current assets and Current liabilities in foreign currency are translated at the exchange rate prevalent at the date of the Balance Sheet.

Any income or expenses on account of exchange difference either on settlement or on translation is recognized in the Profit and Loss account except in case of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

j) Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

k) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when an enterprise has a present obligation as a result of past event it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Possible future obligations or present obligations that may but will probably not require outflow of resources or where the same cannot be reliably estimated, is disclosed as contingent liabilities in the notes to accounts of financial statements.

Contingent Assets are neither recognized nor disclosed in the financial statements.

1) Cash Flow Statement

Cash flow statement has been prepared under the 'Indirect Method'. Cash and cash equivalents, in the cash flow statement comprise unencumbered cash and bank balances.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS:

19. EMPLOYEE BENEFITS

Provision for retirement benefits to employees was not provided on accrual basis, which is not in conformity with Accounting Standard-15 issued by ICAI and the amount has not been quantified because actuarial valuation report is not available. However, in the opinion of the management the amount involved is negligible and has no material impact on the Profit & Loss Account.

20. CONTINGENT LIABILITY:

	<u>2013-2014</u> <u>Amount in Rs.</u>	<u>2012-2013</u> <u>Amount in Rs.</u>
Contingent Liabilities not provided for	NIL	NIL

21. EARNING PER SHARE:

Earnings per Share, as required by the Accounting Standard 20- "Earning Per Share" issued by the Institute of Chartered Accountants of India, is given below:

<u>Particulars</u>	<u>2013-14</u> <u>Amount in Rs.</u>	<u>2012-13</u> <u>Amount in Rs.</u>
Net profit for the period attributable to Equity Shareholders (Rs.)	(45,44,659)	3,33,232
Weighted Average No of Equity shares outstanding for Basic Earnings per share	8,17,70,000	8,17,70,000
Weighted Average No. of Equity shares outstanding for Diluted earnings per share	8,17,70,000	8,17,70,000
Basic Earning Per Shares (face value of Rs. 1/-each) (Rs)	(0.056)	0.0041
Diluted earnings per share (face valued of Rs 1/-each) (Rs.)	(0.056)	0.0041

22. PRUDENTIAL NORMS OF NBFC:

- i. The loan granted and rate of interest are subject to confirmation of counterparties.

23. RELATED PARTY TRANSACTION:

List of Related Parties:-**a) Key Management person**

1. Dheeraj Babulal Shah

Related party	Nature of Transaction	2013-14 Amount in Rs.	2012-13 Amount in Rs
Dheeraj Babulal Shah	Director's Remuneration	1,20,000	1,03,000
	Balance at year end	40,000	NIL

24. MAJOR COMPONENTS OF DEFERRED TAX LIABILITIES:

	2013-2014 Amount in Rs.	2012-2013 Amount in Rs.
Deferred Tax Liability on carry forward losses	NIL	(20,60,484)
Deferred Tax Liability	NIL	(20,60,484)
Deferred Tax Asset on account of Depreciation	1,08,806	NIL
Deferred Tax Asset	1,08,806	NIL

25. Income in Foreign Currency NIL
26. Expenditure in Foreign Currency NIL
27. As per information available with the Company, none of the creditors has confirmed that they are registered under the Micro, Small and Medium enterprises Development Act, 2006.
28. Trade payables, Trade receivables, Short Term Borrowings and Short term loans and advances balances are subject to confirmation and reconciliation.
29. Segment Information: The Company is engaged in single segment and there are no separate reportable segments as defined in AS-17.
30. Previous year's figures have been regrouped, rearranged and reclassified wherever necessary to conform to the current's classification/ presentation.

**As Per Our Report of Even Date
For Pravin Chandak & Associates
Firm Reg. No. 116627W**

FOR AND ON BEHALF OF THE BOARD

**Sd/-
Pravin Chandak
(Partner)
M. No. 049391**

**Sd/-
Dheeraj Shah
(Managing Director)** **Sd/-
Avedhesh Pal
(Director)**

**Place: Mumbai
Date: 29/05/2014**

**Sd/-
Sachin Talgaonkar
(Director)**

ESAAR (INDIA) LIMITED

Registered Office: 23-A, 12, Akash C.H.S. Talawad Nagar, Ashok Nagar, Kandivali (East), Mumbai: 400101.

PROXY FORM
[Pursuant to Section 105(6) & Rule 7.17]

CIN: L67120MH1951PLC222871

Name of the Company: ESAAR (INDIA) LIMITED

Registered Office: 23-A, 12, Akash C.H.S. Talawad Nagar, Ashok Nagar, Kandivali (East), Mumbai: 400101

Name of the member (s):	
Registered Address:	
Email Id:	
Folio No/Client Id:	
DP ID:	

I/We, being the Member (s) of _____ shares of the above named company, here by appoint

1. Name: _____ Address: _____
E-mail Id: _____ Signature: _____, **or failing him**
2. Name: _____ Address: _____
E-mail Id: _____ Signature: _____, **or failing him**
3. Name: _____ Address: _____
E-mail Id: _____ Signature: _____

As my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 62nd Annual General Meeting of the company, to be held on the 30th day of September, 2014, at 12:00 P.M. at 7A/8A, Kailash Parbat, Crystal Plaza, New Link Road, Opp. Infinity Mall, Andheri (West), Mumbai - 400053 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	RESOLUTIONS	Optional*	
		For	Against
ORDINARY BUSINESS			
1	Adoption of financial statements for the year ended 31st March, 2014 and the Directors' and Auditors' Reports thereon.		
2	To re-appoint Mrs. Hiral Kalpesh Mehta (DIN: 06951631), who retires by rotation and, being eligible, offers herself for re-appointment.		
3	Appointment of M/s. Pravin Chandak & Associates, Chartered Accountants, as Statutory auditors and Fixing their remuneration.		
SPECIAL BUSINESS			
4	Regularization the appointment of Mrs. Hiral Kalpesh Mehta.		
5	Issue of Bonus Shares in the ratio of 3:2 (3 New Equity Shares for every 2 Existing equity Shares held)		

Signed this _____ day of _____, 20_____

Signature of shareholder _____

Signature of proxy holder(s) _____

Affix
Revenue
Stamp**Note:**

- This form of proxy 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
- For the Resolution, Explanatory Statement and Notes, please refer to Notice of the 62nd Annual General Meeting.
- It is optional to put a 'X' in the appropriate column against the resolutions indicated in the box. If you leave the 'For' or 'against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- Please complete all details including details of member(s) in above box before submission.

Esaar (India) Limited

CIN: L67120MH1951PLC222871
 Regd. Office: 23-A, 12, Akash C.H.S.
 Talawad Nagar, Ashok Nagar,
 Kandivali (East), Mumbai : 400101

Form No. MGT – 14

Ballot Paper

(In Lieu of E- Voting)

Polling Paper
[Pursuant to section 109(5) and rule 7.19]

Name of the Company:	Esaar (India) Limited
Registered Office :	23-A, 12, Akash C.H.S. Talawad Nagar, Ashok Nagar, Kandivali (East), Mumbai: 400101

Ballot Paper		
Sr. No.	Particulars	Details
1	Name of the First Named Shareholder (In block letters)	
2	Postal Address	
3	Registered Folio No./*Client ID No. (*Applicable to investors holding shares in dematerialized form)	
4	Class of Share	

I hereby exercise my vote in respect of Ordinary/ Special resolution enumerated below by recording my assent or dissent to the said resolution in following manner:

Sr. No.	Item No.	No. of Shares held by me	I assent to the resolution	I dissent from the resolution
1	Adoption of financial statements for the year ended 31st March, 2014 and the Directors' and Auditors' Reports thereon.			
2	To re-appoint Mrs. Hiral Kalpesh Mehta (DIN: 06951631), who retires by rotation and, being eligible, offers herself for re-appointment.			
3	Appointment of M/s. Pravin Chandak & Associates, Chartered Accountants, as Statutory auditors and Fixing their remuneration.			
4	Regularization the appointment of Mrs. Hiral Kalpesh Mehta.			
5	Issue of Bonus Shares in the ratio of 3:2 (3 New equity Shares for every 2 Existing Equity Shares held)			

Place: Mumbai
 Date:

(Signature of Shareholder)

BOOK POST

If undelivered please return to:

ESAAR (INDIA) LIMITED

REGISTERED OFFICE:
23-A, 12, Akash C.H.S. Talawad Nagar,
Ashok Nagar, Kandiwali (East),
Mumbai: 400101

Web Site: www.esaarindia.com

Email: esaarindialtd@gmail.com