

59th ANNUAL REPORT

BOARD OF DIRECTORS

SHRI VIJAY JAIDEO PODDAR	-	Additional Director
SHRI DHEERAJ SHAH	-	Managing Director
SHRI MANOJ BATRA	-	Additional Director

AUDITORS:

M/S. PRAVIN CHANDAK & ASSOCIATES,
403, NEW SWAPANALOK CHS LTD,
NATAKWALA LANE, BORIVALI(W),
MUMBAI-400 092.

REGISTERED OFFICE :

4-A, COUNCIL HOUSE ST.,
KOLKATA - 700 001.

REGISTAR & TRANSFER AGENT:

S.K. COMPUTERS,
34/1A, S.K. CHATTERJEE STREET,
KOLKATA – 700 006.

NOTICE

Notice is hereby given that the **59th** Annual General Meeting of the Members of **ESAAR (INDIA) LTD.** will be held on **8TH** August 2011 at **3:30 P.M** at the Registered Office at 4-A, Council House St., Kolkata - 700001 to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2011 , 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 Mr. Vijay Poddar as Director of the company, who retires by rotation and, being eligible, offers himself for reappointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS :

4. To consider and, if thought fit, to pass with or without modification, the following resolution as a SPECIAL RESOLUTION :

“RESOLVED that pursuant to the provisions of Section 94 and other applicable provisions, if any, of the Companies Act, 1956 (“the Act”) and the provisions of Article 47 of the Articles of Association of the Company and subject to the approvals, consents, permissions and sanctions as may be necessary from the appropriate authorities or bodies, (a) each of the 81,77,000 equity shares of the nominal value of Rs.10/- each in the authorised share capital of the Company be sub-divided into 8,17,70,000 equity shares of Rs. 1/- each **AND THAT** Clause 5 (being Capital Clause) of the Memorandum of Association of the Company relating to equity shares be altered accordingly.

RESOLVED FURTHER that the Board of Directors of the Company (“the Board”, which expression shall also include a Committee thereof) be and they are hereby authorised to issue new share certificates representing the sub-divided equity shares with new distinctive numbers, consequent to the sub-division of shares as aforesaid and /or credit the shareholders’ accounts maintained with the Depositories, subject to the rules as laid down in the Companies (Issue of Share Certificates) Rules, 1960, and the Articles of Association of the Company and to inform the Depositories and the Registrar and Transfer Agents of the Company and execute all such documents, instruments and writings as may be required in this connection and to delegate all or any of the powers herein vested in the Board, to any Committee thereof or to any Director(s) or Company Secretary, to give effect to the aforesaid resolution.”

5. To consider and, if thought fit, to pass, with or without modification, the following resolution as an ORDINARY RESOLUTION:

“RESOLVED THAT Mr. Vijay Jaideo Poddar, who was appointed as an Additional Director pursuant to Section 260 of the Companies Act, 1956 and who hold office up to the date of Annual General Meeting and in respect of whom the Company has received a notice in writing under section 257 of the Companies Act, 1956 proposing his candidature for the office of Director be and is hereby appointed as the Director of the Company, liable to retire by rotation.”

6. To consider and, if thought fit, to pass, with or without modification, the following resolution as an ORDINARY RESOLUTION:

“RESOLVED THAT Mr. Manoj Batra, who was appointed as an Additional Director pursuant to Section 260 of the Companies Act, 1956 and who hold office up to the date of Annual General Meeting and in respect of whom the Company has received a notice in writing under section 257 of the Companies Act, 1956 proposing his candidature for the office of Director be and is hereby appointed as the Director of the Company, liable to retire by rotation.”

7. To consider and, if thought fit, to pass, with or without modification, the following resolution as an ORDINARY RESOLUTION:

“RESOLVED THAT pursuant to Sections 198, 269 and 309 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 (including any statutory modification(s) or re- enactment thereof, for time being in force) and subject to provisions of Articles of Association of Company, the consent of the Company be and is hereby accorded for appointment of Mr. Dheeraj Shah as Managing Director of the Company, for a period of 5 (Five) years with effect from July 7, 2011 till July 6, 2016 on the terms and conditions including remuneration as set out in the agreement entered into between the Company and Mr. Dheeraj Shah and reproduced in the Explanatory Statement enclosed herewith, which is hereby specifically sanctioned, with liberty to the Board of Directors (hereinafter referred to as “the Board” which shall be deemed to include any committee which the Board may constitute to exercise its powers, including the powers conferred by this resolution) to alter and vary the terms and conditions of the said appointment and / or remuneration and / or agreement in the best interest of the Company so as not to exceed the limits specified in Schedule XIII to the Companies Act 1956, including any statutory modification or re-enactment thereof, for the time being in force or any amendments and / or modification that may hereafter be made thereto by the Central Government in that behalf from time to time, or any amendments thereto as may be agreed to between the Board and Mr. Dheeraj Shah.

RESOLVED FURTHER THAT the board be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

REGISTERED OFFICE

4-A, Council House St.
Kolkata - 700 001.
DATED : 11 / 07/2011

BY ORDER OF THE BOARD

Sd/-
DHEERAJ SHAH
Chairman

NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is enclosed and forms part of the Notice.
3. The Register of Members and the Transfer Book of the Company will remain closed from 7th August, 2011 to 8th August, 2011 (both days inclusive.)
4. Members / Proxies should bring attendance slip duly filled in for attending the meeting. Members are also requested to bring their copies of Annual Report.
5. 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 S.K. COMPUTERS, 34/1 A Sudhir Chatterjee Street, Kolkata -700006.
6. Printed copies of the Balance Sheet, Profit and Loss Account, Director's Report, the Auditor's Report and every other documents required by the law to be annexed or attached to the Balance Sheet for the period ended 31st March, 2011 are enclosed herewith.
7. Members seeking any information with regard to accounts are requested to write to the company at least one week in advance so as to enable the management to keep the information ready.
8. Proxies in order to be effective must be deposited duly stamped and signed at the Registered Office of the Company not less than 48 hours before the meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES, 1956.

Item Nos. 4

The shareholders to note that the equity shares of your Company are listed on the Stock Exchange, Mumbai (BSE).

In order to improve the liquidity of the Company's shares in the stock market and to make it affordable to the small investors, the Board of Directors of the Company ('the Board') at their meeting held on 11 July, 2011 considered it desirable to sub-divide the nominal value of the equity portion of the authorised share capital of the Company.

The shareholders may please note that presently the nominal value of the equity shares is Rs.10/- each and consequent to the sub-division it is being divided into 10 (Ten) equity shares of Rs. 1/- each. The date on which this sub-division would become effective, will be decided by the Board after obtaining the shareholders' approval, which will be notified through the Stock Exchanges.

Shareholders attention is also invited to the fact that in view of the foregoing, the existing Capital Clause 5 in the Memorandum of Association of the Company relating to equity shares also need relevant amendment to give effect to the sub-division.

The Directors of the Company are deemed to be concerned or interested in the resolution only to the extent of shares held by them in the Company.

Item Nos. 5

Mr Vijay Jaideo Poddar have been appointed as Additional Directors of the Company pursuant to Section 260 of the Companies Act, 1956 read with Articles of Association of the Company with effect from 18/03/2011. The terms of the directors expire at the ensuing Annual General Meeting of the Company. The Company has received notice from the member proposing to appoint Mr Vijay Poddar as Directors of the Company.

None of the Directors of the Company are interested in passing the resolution, except Mr Vijay Poddar to the extent of their appointment as Directors of the Company.

Item Nos. 6

Mr Manoj Batra have been appointed as Additional Directors of the Company pursuant to Section 260 of the Companies Act, 1956 read with Articles of Association of the Company with effect from 18/03/2011. The terms of the directors expire at the ensuing Annual General Meeting of the Company. The Company has received notice from the member proposing to appoint Mr Manoj Batra as Directors of the Company.

None of the Directors of the Company are interested in passing the resolution, except Mr Manoj Batra to the extent of their appointment as Directors of the Company.

Item Nos. 7

The Board of Directors at their meeting held on July 7, 2011 have subject to such consents, approvals and permissions as may be required including that of members in the ensuing general meeting and subject to the provisions of the Articles of Association of the Company, appointed Mr. Dheeraj Shah as the Managing Director of the Company for a period of period of 5 (Five) years with effect from July 7, 2011 till July 6, 2016 on the remuneration determined by the Board in this behalf.

The remuneration payable to and the terms of appointment of Mr. Dheeraj Shah during the tenure of his appointment for a period of five years is briefed as follows:

Salary (Basic Per Annum)	Rs.12,00,000/- (Rupees Twelve Lakh Only)
2 Allowances / Perquisites:-	
a) Special Allowance	Rs.5,500/- per month
b) Medical allowance	Rs.10,000/- per month (equal to 10% of month's basic salary)
c) Conveyance Allowance	Rs.7,000/- per month
d) Company's Contribution to Provident Fund	Rs.12,000/- per month (equal to 12% of month's basic salary)
e) Expenses incurred on superannuation and ex-gratia payment	Rs.15,000/- per month (equal to 15% of month's basic salary)
f) Gratuity	Rs.5,000/- per month
g) LTA	Rs.8,330/- per month (equal to 8.33% of month's basic salary)

Your Directors, therefore, recommend the resolution for your approval.

The above may also be treated as an abstract of the terms of the contract/agreement between the Company and Mr. Dheeraj Shah pursuant to Section 302 of the Companies Act, 1956.

Except Mr. Dheeraj Shah, none of the Directors is, in any way, concerned or interested in the said Resolution.

REGISTERED OFFICE
4-A, Council House St.
Kolkata - 700 001.
DATED : 11/07/2011

BY ORDER OF THE BOARD
Sd/-
DHEERAJ SHAH
Chairman

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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)

Director seeking re-appointment

Name of the Director	Vijay Jaideo Poddar
Date of Birth	21/03/1972
Date of Appointment.	18/03/2011
Expertise in any specific functional Area	Finance
Qualification	Graduate
Directorships held in other companies(excluding foreign – Companies)	1
Committee position held in other Companies	Nil

Director seeking re-appointment

Name of the Director	Manoj Batra
Date of Birth	01/04/1978
Date of Appointment.	18/03/2011
Expertise in any specific functional Area	Finance
Qualification	Graduate
Directorships held in other companies(excluding foreign – Companies)	Nil
Committee position held in other Companies	Nil

BOARD OF DIRECTORS' REPORT

To
The Members

Your Directors present their 59th Annual Report with Audited Statement of Accounts for the year ended on March 31, 2011.

Financial Results

Particulars	(Amt. In Lacs)	
	For the year ended on	
	31/03/2011	31/03/2010
Income	128.07	261.59
Profit before Dep. & Int.	1.08	12.08
Depreciation	10.31	10.79
Interest	0.00	0.00
Profit after Depreciation & Interest	(9.23)	1.29
Provision for Taxation	0.00	0.20
Provison for Tax (deferred)	(2.68)	(2.70)
Profit after Tax	(6.55)	3.79
Net profit/ (Loss)	(6.55)	3.79
Amount Available for Appropriation	(6.55)	3.79
Balance carried to Balance Sheet	(6.55)	3.79

FINANCIAL HIGHLIGHTS

During the year Company's total sales including other income is Rs 128.07 lacs as compared to Rs. 261.59 lacs in the previous year and thereby registering an decrease of 51.04 % as compared to the previous year.

DIVIDEND

Your Directors decided to plough back the profit and therefore dividend is not declared.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company Mr. Vijay Poddar retire by rotation at the ensuing Annual General Meeting, and being eligible offers himself for reappointment.

Mr. Vijay Poddar and Mr. Manoj Batra were appointed as Additional Directors with effect from 18th March, 2011. Pursuant to Section 260 of the Companies Act, 1956, Mr. Vijay Poddar and Mr. Manoj Batra holds office only upto the date of the ensuing Annual General Meeting. Their appointment needs to be confirmed by the members in the General Meeting.

Mr. Dheeraj Shah Promoter Director of the Company is appointed as Managing Director of the Company with effect from 11th July, 2011 for period of five years subject to the approval of shareholders in the ensuing Annual General Meeting.

Mr. Girraj Kishor Agrawal, Mrs. Tanu Agrawal, Mr. Prasanta Bandyopadhyay and Mr. Om Prakash Saxena has resigned as the directors from the Board of the Company with effect from 18/03/2011. During their tenure as Directors, they had greatly contributed to the performance of the Company by their vast knowledge and experience.

DEPOSITS

Your company has not accepted any deposits within the meaning of Section 58 A of The Companies Act, 1956.

FOREIGN EXCHANGE

There is no inflow and outflow of Foreign Exchange.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- (i) That in the preparation of the accounts for the financial year ended 31st March 2011 the applicable accounting standards have been followed, along with proper explanation relating to all material departures.
- (ii) 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.
- (iii) 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, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) That the Directors have prepared the accounts for the financial year ended 31st March 2011 on a going concern basis.

RESERVE BANK OF INDIA GUIDELINES FOR NBFCs (Non Banking Financial Companies)

The Guidelines of Reserve Bank of India have been revised time and again during the year under review. The company has observed all the prudential norms prescribed by Reserve Bank of India.

AUDITORS

Shareholders have appointed M/s. Pravin Chandak & Associates, Chartered Accountants as the Statutory Auditor in the Extraordinary General Meeting held March 18, 2011, in order to fill in the casual vacancy created by the resignation of the previous auditor, M/s Agarwal Gupta Nokari & Rustagi Associates

You are requested to re-appoint M/s. Pravin Chandak & Associates, Chartered Accountants as Auditors of the Company from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting and fix their remuneration.

The appointment if made would be according to Section 224 (1B) and any other applicable provisions, if any, of the Companies Act, 1956.

AUDITORS REPORT

Observations made in the Auditors' Report are self-explanatory and therefore do not call for any further comments under Section 217(3) of the Companies Act, 1956.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

The particulars under the companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988, on conservation of energy and Technology absorption is not applicable.

PARTICULARS OF EMPLOYEE

The information required under section 217(2A) of the Companies Act 1956, read with the Companies (particulars of employees) Rules 1975, forms part of this report - Not applicable.

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 2010 – 2011.

Company has filed application to Ahemadabad Stock Exchange, the Kolkata Stock Exchange and Jaipur Stock Exchange for delisting of shares.

PREFERENTIAL ALLOTMENT

During the year Company has issued 31,77,000 equity shares at Rs.of Rs.10/- each at premium of Rs 40/- on preferential basis to non promoters.

POSTAL BALLOT

Postal ballot was conducted by the company for the approval of change in Registered Office of the Company from State of West Bengal to Maharashtra.

INCREASE IN AUTHORISED CAPITAL

During the period under review, in order to strengthen its capital base, your Company has increased its Authorised, Issued and Paid-up Share Capital from Rs.5,50,00,000/- (Rupees Five Crores Fifty Lakhs only) to Rs. 15,50,00,000/- (Rupees Fifteen Crores Fifty Lakhs only).

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 TSRDL.

CORPORATE GOVERNANCE COMPLIANCE

As required under the listing agreement with the stock exchange, corporate governance and management discussion and analysis report form part of this Annual Report.

ACKNOWLEDGEMENT

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

**PLACE: MUMBAI
DATED :11/07/2011**

**FOR & ON BEHALF OF THE BOARD
Sd/-
DHEERAJ SHAH
Managing Director**

CORPORATE GOVERNANCE REPORT

A) COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company believes in transparent dealings and integrity and compliance of rules and regulations. The Company firmly believes that good corporate governance is pre-requisite to meet the stakeholders' requirements and needs. The mandatory requirements of the code of Corporate Governance as per clause 49 of the listing agreement have been implemented by your Company.

B) BOARD OF DIRECTORS

The Board of Directors comprises of Mr. Dheeraj Shah as Executive Director, Mr. Vijay Jaideo Poddar and Mr. Manoj Batra as Non Executive Independent Directors. .

a) 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 Directorship	Committee Membership	
Mr. Dheeraj Shah	E.D	-	No	-	3	-
Mr. Vijay Poddar	I.N.E.D	-	No	-	3	2
Mr. Manoj Batra	I.N.E.D	-	No	-		3

N.E.D Non Executive Director
W.T.D Whole Time Director
I.N.E.D Independent Non Executive Director

Notes:

During the period ended 31st March 2011, 12 Board Meetings were held on the following dates:

30/04/2010, 26/07/2010, 01/07/2010, 08/07/2010, 31/07/2010, 25/08/2010, 15/09/2010, 25/10/2010, 30/10/2010, 17/11/2010, 31/01/2011 and 18/03/2011.

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

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.

C) AUDIT COMMITTEE

The Audit Committee comprises of viz Mr. Vijay Poddar, non-executive Independent Director as Chairman of Audit Committee, Mr. Manoj Batra and Mr. Dheeraj Shah as committee members and Mr. Dheeraj Shah Compliance Officer is the Secretary of the Committee.

The Committee met four times during the period ended 31st March 2011.

The terms of reference of the Committee are as per the guidelines set out in Clause 49 of the listing agreement with the Stock Exchanges and section 292A of the Companies Act, 1956 and inter alias it briefly includes review of quarterly and Annual financial statements, the statutory Auditor's Report on the financial statements, Internal audit reports, internal controls, Accounting policies and to generally interact with the Internal Auditors and Statutory Auditors.

D) SHARE TRANSFER COMMITTEE

The Committee comprises of Mr. Manoj Batra, Mr. Vijay Poddar and Mr. Dheeraj Shah. The Committee normally meets twice a month to approve transfer of shares and other shares related matters. Mr. Manoj Batra is the Chairman of the Committee.

E) REMUNERATION COMMITTEE

Remuneration Committee comprises of Mr. Vijay Poddar, as Chairman of the committee and Mr. Manoj Batra and Mr. Dheeraj Shah Directors are committee members. During the year under review, no Meeting was held.

The details of remuneration paid to Chairman and whole time Director of the Company during the period ended 31st March 2011 are given below.

Remuneration paid to Directors during the period ended 31st March 2011

NAME OF THE DIRECTOR	SALARY	PERQUISITES	CONTRIBUTION TO VARIOUS FUNDS	TOTAL
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
-	-	-	-	-
-	-	-	-	-

F) GENERAL BODY MEETINGS

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

Year/Period Ended	Date of Meeting	Time
31 st March 2008	30/09/2008	11:00 A.M
31 st March 2009	29/09/2009	11:00 A.M
31 st March 2010	29/09/2010	01:00 P.M

G) DISCLOSURES

1. 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.
2. There were no instances of non-compliance on any matter related to the Capital Markets during the last three years.

H) MEANS OF COMMUNICATION.

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

I) GENERAL INFORMATION FOR MEMBERS

- (i) Annual General Meeting - The 60th Annual General Meeting of the Company will be held on 08/08/2011 at 3-.30 p.m. at Registered Office in Kolkata.
- (ii) **Financial Calendar** : Last AGM held on 29/09/2010
 - First Quarter Results Declared : Last Week of July, 2010
 - Second Quarter Results Declared : Last Week of October, 2010
 - Third Quarter Results Declared : Last Week of January, 2011
 - Fourth Quarter Results Declared : Last Week of May, 2011

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(iii) Book Closure date: 07/08/2011 to 08/08/2011

(iv) Dividend payment date: Not applicable

(v). (i) Listing of Equity Shares : Bombay Stock Exchange, Calcutta Stock Exchange, Ahmedabad Stock Exchange and Jaipur Stock Exchange

(ii) Listing fees is duly paid to the Bombay stock exchange Limited as per listing agreement.

(vi) (i) **Stock Code BSE CODE : 531502**

(ii) **Demat ISIN Numbers in NSDL & CDSL INE 404L01013 for Equity Shares.**

Stock Market Data at BSE:

Month	High	Low	Close	No. of Shares
April 2010	Nil	Nil	Nil	Nil
May 2010	Nil	Nil	Nil	Nil
June 2010	Nil	Nil	Nil	Nil
July 2010	Nil	Nil	Nil	Nil
August 2010	Nil	Nil	Nil	Nil
September 2010	Nil	Nil	Nil	Nil
October 2010	Nil	Nil	Nil	Nil
November 2010	Nil	Nil	Nil	Nil
December 2010	46	46	46	46800
January 2011	Nil	Nil	Nil	Nil
February 2011	48.3	48.3	48.3	100
March 2011	Nil	Nil	Nil	Nil

vii) **REGD. OFFICE:**

4-A, Council House St., Kolkata - 700001

(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:

S K COMPUTERS
34/1 A SUDHIR CHATTERJEE STREET
KOLKATA - 700 006,
TEL: 2219 4815, 2219 6797

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:

(x) Share Transfer System as per listing Agreement and Companies Act, 1956.

(xi) DISTRIBUTION OF SHAREHOLDING AS ON 31st March 2011

Shareholding			Shareholders	
No. of Shares	Nos.	%	Holding in Rs.	%
1-5000	1013	81.04	171100	3.42
5001-10000	23	1.84	19450	.40
10001-20000	38	3.04	54675	1.09
20001-30000	15	1.20	35750	.72
30001-40000	8	.64	29150	.58
40001-50000	4	.32	18125	.36
50001-100000	37	2.96	293655	5.87
100001- and above	112	8.96	4378095	87.56
Total	1250	100.00	5000000	100.00

(xii) Shareholding pattern as on 31st March 2011

	Category	No. of Shares held	Percentage of Shareholding
A	Promoter's Holding		
1	Promoters		
	- Indian Promoters	714755	14.30
	- Foreign Promoters	-	-
2	Persons acting in concert	-	-
	Sub – Total	714755	14.30
B	Non-Promoter's Holding	-	-
3	Institutional Investors	-	-
a)	Mutual Funds and UTI	178600	3.57
b)	Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions/Non Government Institutions)	250000	5.00
C	FII's	-	-
	Sub – Total	428600	8.57
4	Others	-	-
a)	Private Corporate Bodies	597900	11.96
b)	Indian Public	3236245	64.72
c)	NRI's/OCB's	22500	0.45
d)	Any Other (Please specify) - Clearing Members	0	0.00
	Sub-Total	3856645	77.13
	Grand Total	5000000	100%

(xiii) DEMATERIALISATION OF SHARES.

As on 31st March 2011, **29.21%** of the Company's Shares representing **14, 60,045** Share were held in dematerialized form and the balance **35, 39,955** Shares were held in physical form.

(xiv) INVESTOR CORRESPONDANCE: For transfer/ dematerialisation 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.

S.K. COMPUTERS

34/1A, S.K. Chatterjee Street, Kolkata – 700006.

Any other query:

ESAAR (INDIA) LTD.

At Regd. Office : 4-A, Council House St., Kolkata- 700001.

MANAGEMENT DISCUSSIONS AND ANALYSIS REPORTS

Your Directors are pleased to present the Management Discussion and Analysis Report for the year ended 31st March, 2011.

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.

OVERVIEW

The operations of the company are centred in Finance Business and company also dealing in shares and various other securities.

INDUSTRY STRUCTURE AND DEVELOPMENT:

The Indian economy has witnessed all round growth in year 2010-11 and more growth and prosperity in coming future with increased investment in financial activities and financial Market.

Of late, especially in the past few decades, there has been tremendous growth in the Finance Industries in India and the development thereof has been remarkable. The company has been conducting and dealing in Financing Activities since inception.

Coming to the finance industry where the company is also involved, major developments have taken place for the past few decades in view of the fact that plethora of finance companies have come into existence with various finance products and there has been tremendous finance growth due to foreign collaboration, foreign equity participation etc, under Finance Division, dealing in equity shares and stock is the main activity of the company.

OPPORTUNITIES AND THEREATS :

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

1. Clients are more comfortable with uniform high quality and quick finance and security process across the enterprise.
2. The company since involved in the Finance business for a very long time there are good prospects for expanding further activities in this direction.
3. The company is also facing severe competition from other financial companies.

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

1. Heightened competition
2. Increasing cost of Finance
3. Increasing Compliances

INITIATIVES BY THE COMPANY

The company has taken following initiatives'

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

OUTLOOK

The company is mainly engaged in finance and shares and security business.
The company is planning to expand and diversify the activities in this time to tap higher revenues.

RISK AND CONCERNS:

Due to stiff competitions in the finance fields where the company's activities are centred in, the overall margins are under pressure but maintainable with constant effort and good services.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

1. Compliance of the company with applicable statutes, policies procedures, listing requirements and management guidelines.
2. All transaction are being accurately recorded and verified.
3. Adherence to applicable accounting standards and polices.

HUMAN RESOURCES/INDUSTRY RELATIONS:

- ▶ The company provided excellent working environment so that the individual staff can reach his/her full potential.
- ▶ The company is poised to take on the challenges and march towards accomplishing it's mission with success.
- ▶ The company maintained good Industrial/Business relation in market which enhanced the Creditworthiness of the Company.

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 dose not have any control.

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 2011 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 & ASSOCIATES
CHARTERED ACCOUNTANTS**

Sd/-

**PRAVIN CHANDAK
PARTNER**

Membership No. 049391

**Place: Mumbai
Date: 11/07/2011**

AUDITORS REPORT

To
The Members
M/s Esaar (India) Limited

1. We have audited the attached Balance Sheet of **M/s Esaar (India) Limited** as at 31st March 2011, the Profit & Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standard generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial Statements are free of material misstatements. An audit includes examining, on test basis, evidence supporting the amounts and disclosure in the Financial Statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the over all Financial Statement presentation. We believe that our audit provides reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended, issued by Central Government of India in terms of sub section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to above, we state that
 - a) We have obtained all the information and explanation which, to the best of our knowledge and belief, were necessary for the purpose of our audit.
 - b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
 - d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act, 1956.
 - e) On the basis of written representation received from the directors, as on March 31, 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2011 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give true and fair view in conformity with the accounting principles generally accepted in India.
 - (i) In the case of Balance Sheet, of the state of affairs of the company as at 31st March, 2011,
 - (ii) In the case of the Profit & Loss Account, of the Loss for the year ended on that date, and
 - (iii) In the case of the Cash Flow Statement , of the cash flows for the year ended on that date

For PRAVIN CHANDAK & ASSOCIATES

Chartered Accountants

Sd/-

Pravin Chandak

Partner

M.No. 049391

Place : Mumbai

Date : 30th May, 2011

**ANNEXURE TO THE AUDITOR'S REPORT ON THE ACCOUNTS FOR THE YEAR
ENDED 31ST MARCH, 2011**

(Referred to in paragraph 3 of Auditor's Report of even date on the financial statements as for the year ended 31st March, 2011)

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) We have been informed that, the fixed assets have been physically verified by the Management at reasonable intervals. In our opinion the frequency of verification is reasonable with regard to the size of the company and nature of assets. According to information and explanations given to us by the management, no material discrepancy was noticed on such verification.

(c) During the year the company has not disposed off a substantial part of its fixed assets and accordingly it has no effect on the going concern of the company.
2. (a) As informed to us, the inventories have been verified by the management with the supportive evidence during the year. In our opinion the frequency of verification is reasonable.

(b) 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.

(c) 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) 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.
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 inventory and 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 thereunder have been accepted by the Company.
7. In our opinion and according to information and explanation given to us, the company has 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 date 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. The Company has no accumulated losses as at 31st March, 2011. The company has not incurred any cash losses during the financial year covered by our audit as well as 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 cash flow statements and 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. During the period the company has not made allotment of shares on preferential basis. Accordingly Clause 4(xviii) of Companies (Auditor's Report) Order, 2003 is not applicable.
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 & ASSOCIATES

Chartered Accountants

Sd/-

Pravin Chandak

Partner

M.No. 049391

Place : Mumbai

Date : 30th May, 2011

CEO / CFO CERTIFICATION

**The Board of Directors,
Esaar (India) Ltd.
4-A, Council House St.,
Kolkata- 700001.**

We hereby certify that:

1. We have reviewed financial statements and the cash flow statement for the year ended 31st March 2011 and that to the best of our knowledge and belief;
 - i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. No transaction is entered into by the company during the year which is fraudulent, illegal or violative 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 which we are aware and the 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.

**Registered Office:
4-A, Council House St.,
Kolkata- 700001.**

Place: Mumbai
Date: 11th July, 2011

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 2011.

**Registered Office:
4-A, Council House St.,
Kolkata- 700001.**

Place: Mumbai
Date: 11th July, 2011

For Esaar (India) Ltd.

**Sd/
Dheeraj Shah
Managing Director**

BALANCE SHEET AS ON 31.03.2011

PARTICULARS	SCH. NO.	FOR THE YEAR ENDED 31.03.2011 RUPEES	FOR THE YEAR ENDED 31.03.2010 RUPEES
SOURCES OF FUNDS :			
SHAREHOLDER'S FUND :			
Share Capital	I	50,000,000	50,000,000
Reserves & Surplus	II	13,213,107	13,868,196
Deferred Tax Liability		2,610,467	2,878,571
LOAN FUND :			
Unsecured Loan	III	9,900,000	-
TOTAL		<u>75,723,574</u>	<u>66,746,767</u>
APPLICATION OF FUNDS :			
FIXED ASSETS :			
Gross Block	IV	21,193,963	21,193,963
Less : Accu. Depreciation		11,853,132	10,821,584
NET BLOCK		<u>9,340,831</u>	<u>10,372,379</u>
CURRENT ASSETS LOANS, & ADVANCES :			
Stock in trade	V	3,257,365	334,896
Sundry Debtors	VI	11,876	4,482,436
Cash & Bank Balance	VII	865,293	3,686,444
Loans & Advances	VIII	93,543,306	49,520,568
		<u>97,677,840</u>	<u>58,024,344</u>
LESS : CURRENT LIABILITIES & PROVISIONS	IX	31,295,097	1,649,956
NET CURRENT ASSETS		66,382,743	56,374,388
TOTAL		<u>75,723,574</u>	<u>66,746,767</u>
NOTES FORMING PART OF ACCOUNTS AS PER OUR REPORT OF EVEN DATE	XIV		

For **PRAVIN CHANDAK & ASSOCIATES**

Chartered Accountants

Sd/-

PRAVIN CHANDAK

PARTNER

M. NO. 049391

For **AND ON BEHALF OF THE BOARD**

Sd/-

Dheeraj Shah

DIRECTOR

Sd/-

Vijay Poddar

DIRECTOR

Place : Mumbai

Date : 30th May, 2011

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2011

PARTICULARS	SCH. NO.	FOR THE YEAR ENDED 31.03.2011 RUPEES	FOR THE YEAR ENDED 31.03.2010 RUPEES
INCOME :			
Income From Operation	X	12,452,440	24,443,961
Other Income	XI	354,466	1,715,753
		<u>12,806,906</u>	<u>26,159,714</u>
EXPENDITURE :			
Cost of Goods sold	XII	10,777,531	24,260,986
Operating & Other Expenses	XIII	1,921,019	690,223
Depreciation		1,031,548	1,079,577
		<u>13,730,099</u>	<u>26,030,786</u>
Net Profit before Tax		(923,193)	128,928
Less : Provision For Tax			
Current Tax		-	20,000
Deferred Tax		(268,104)	(270,726)
Net Profit After Tax		(655,089)	379,654
Add : Profit B/d. From earlier years		5,803,706	5,424,052
Balance Carried to Balance Sheet		<u>5,148,617</u>	<u>5,803,706</u>
Basic/Diluted Earning Per Share		(0.18)	0.03

NOTES FORMING PART OF ACCOUNTS XIV

AS PER OUR REPORT OF EVEN DATE

For **PRAVIN CHANDAK & ASSOCIATES**
Chartered Accountants
Sd/-
PRAVIN CHANDAK
PARTNER
M. NO. 049391

For **AND ON BEHALF OF THE BOARD**

Sd/- Dheeraj Shah DIRECTOR	Sd/- Vijay Poddar DIRECTOR
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Place : Mumbai
Date : 30th May, 2011

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

PARTICULARS	YEAR ENDED 31.03.2011	YEAR ENDED 31.03.2010
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit Before Tax & extraordinary items	(923,193)	128,928
Add / (Less) Non cash items and items considered separately:-		
Depreciation	1,031,548	1,079,577
Interest Received	-	(101,730)
Interest paid	-	1,131
Operating Profit before Working Capital Changes	108,355	1,107,906
Adjustment For working capital changes:-		
(Increase) / Decrease in Trade & Other Receivable	4,470,560	(2,289,916)
(Increase) / Decrease in Inventories	(2,922,469)	11,026,273
Increase / (Decrease) in Trade & Other Payable	29,645,141	(11,210,708)
(Increase)/Decrease in Loans & Advances	(44,022,738)	6,771,722
	(12,721,150)	5,405,277
Cash generated from operations		
Income tax refund/(paid)		
Net Cash Flow From Operating Activities	(A) (12,721,150)	5,405,277
B. CASH FLOW FROM INVESTING ACTIVITIES		
Interest Received	-	101,730
Interest Paid		(1,131)
Net Cash (Used In)/Generated From Investment Activities	(B) -	101,730
C. CASH FLOW FROM FINANCING ACTIVITIES		
Loans Borrowed /(Paid)	9,900,000	(6,190,000)
Net Cash (Used In)/Generated From Financing Activities	(C) 9,900,000	(6,190,000)
Net Increase/ (Decrease) in Cash and Cash Equivalents	(A+B+C) (2,821,150)	(682,993)
Cash and Cash Equivalents at the Beginning of the year	3,686,444	4,369,437
Cash and Cash Equivalents at the End of the year	865,293	3,686,444

Notes:-

- (1) The Above cash flow statement has been prepared by using the indirect methods as per Accounting Standard-3, issued by Institute of Chartered Accountants of India.
- (2) The previous figure have been regrouped/ rearranged wherever necessary to confirm the current year's classification.

AS PER OUR REPORT OF EVEN DATE

For **PRAVIN CHANDAK & ASSOCIATES**
Chartered Accountants

For **AND ON BEHALF OF THE BOARD**

PRAVIN CHANDAK
PARTNER
M. NO. 049391

Dheeraj Shah
DIRECTOR

Vijay Poddar
DIRECTOR

Place : Mumbai
Date : 30th May, 2011

SCHEDULES FORMING PART OF BALANCE SHEET

PARTICULARS	AS ON 31.03.2011	YEAR 31.03.2010
SCHEDULE - I :		
SHARE CAPITAL :		
AUTHORISED :		
5,500,000 Equity Shares of Rs. 10/- each	<u>55,000,000</u>	<u>55,000,000</u>
ISSUED, SUBSCRIBED & PAID UP :		
5,000,000 Equity shares of Rs. 10/- each fully paid up	50,000,000	50,000,000
TOTAL Rs.	<u>50,000,000</u>	<u>50,000,000</u>
SCHEDULE - II :		
RESERVES & SURPLUS		
Share Premium	8,064,490	8,064,490
Profit & Loss Account	5,148,617	5,803,706
TOTAL Rs.	<u>13,213,107</u>	<u>13,868,196</u>
SCHEDULE-III :		
UNSECURED LOANS		
From Directors	-	-
From others	9,900,000	-
TOTAL Rs.	<u>9,900,000</u>	<u>-</u>

SCHEDULE-IV :

FIXED ASSETS

ASSETS	GROSS BLOCK			DEPRECIATION				NET BLOCK	
	AS ON 01/04/2010	ADD/(DED.) DURING THE PERIOD	AS ON 31/03/2010	UPTO 31/03/2010	ADD/(DED.) DURING THE PERIOD	UPTO 31/03/2011	AS ON 31/03/2011	AS ON 31/03/2010	
Furniture & Office Equipments	176,062	- -	176,062	98,455	11,145 -	109,600	66,462	77,607	
Car	513,033	- -	513,033	253,045	48,738 -	301,783	211,250	259,988	
Computer	401,942	- -	401,942	385,166	16,776 -	401,942	-	16,776	
Plant & Machinery	20,102,926	- -	20,102,926	10,084,918	954,889 -	11,039,807	9,063,119	10,018,008	
TOTAL Rs.	21,193,963	- -	21,193,963	10,821,584	1,031,548 -	11,853,132	9,340,831	10,372,379	
PREVIOUS YEAR	21,193,963	- -	21,193,963	9,742,007	1,079,577 -	10,821,584	10,372,379	11,451,956	

SCHEDULES FORMING PART OF BALANCE SHEET

PARTICULARS	AS ON	YEAR
	31.03.2011	31.03.2010
SCHEDULE - V :		
STOCK IN TRADE		
(As taken, valued & certified by management)		
Shares	3,257,365	334,896
TOTAL Rs .	3,257,365	334,896
SCHEDULE - VI :		
SUNDRY DEBTORS		
Due for more than six months	-	-
Other	11,876	4,482,436
	11,876	4,482,436
SCHEDULE - VII :		
CASH & BANK BALANCES :		
Cash in Hand	9,596	248,113
Balance in Current Accounts with Schedule Banks	855,697	3,438,331
TOTAL Rs.	865,293	3,686,444
SCHEDULE - VIII:		
LOANS & ADVANCES		
Loans (Unsecured, considered good)	93,103,306	49,112,357
Deposit	84,679	84,679
Income Tax Refund	355,321	323,532
TOTAL Rs.	93,543,306	49,520,568
SCHEDULE - IX:		
CURRENT LIABILITIES & PROVISIONS :		
Advance received	30,300,000	250,000
Sundry Creditors	22,060	74,000
Deferred Payment Credits	-	933,000
Provisions	973,037	392,956
TOTAL Rs.	31,295,097	1,649,956

SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT

PARTICULARS	YEAR ENDED 31.03.2011	YEAR ENDED 31.03.2010
SCHEDULE - X :		
INCOME FROM OPERATION		
Sale of Shares	10,671,418	24,342,231
Interest on Loan	<u>1,781,022</u>	<u>101,730</u>
	<u>12,452,440</u>	<u>24,443,961</u>
SCHEDULE - XI :		
OTHER INCOME		
Service Charges Received	274,344	-
Rent Received	70,800	950,309
Dividend	5,412	47,383
Interest on IT refund	3,910	-
Other Income	-	718,061
	<u>354,466</u>	<u>1,715,753</u>
SCHEDULE - XII :		
COST OF GOODS SOLD :		
Opening Stock	334,896	11,361,169
Add : Purchases	13,700,000	13,234,713
Less : Closing Stock	<u>3,257,365</u>	<u>334,896</u>
	<u>10,777,531</u>	<u>24,260,986</u>
SCHEDULE - XIII :		
OPERATING & OTHER EXPENSES :		
Advertisement	6,125	4,952
Advertising Expense	917	-
Auditors Remuneration		
As Audit Fees	11,030	20,000
For Certification	11,030	-
Bank Charges	2,639	4,134
Car Insurance	3,478	-
Consultancy Charges	12,000	18,000
Depository Charges	34,193	-
General Expenses	4,206	28,599
Legal Expenses	-	32,430
Listing Fees	245,130	28,412
Maintenance	4,220	23,440
Printing & Stationery	6,280	19,136
Professional Fees	18,500	-
Repair & Maintained	1,200	-
Salary	1,392,913	178,669
Securities Transaction Tax	121	31,608
Service Charge Paid	137,875	-

SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT

PARTICULARS	YEAR ENDED 31.03.2011	YEAR ENDED 31.03.2010
Service Tax & other Charges	29	4,570
Telephone Charges	29,133	60,453
Staff Welfare Expenses	-	1,644
Rent Paid	-	18,000
Miscellaneous Expenses	-	2,226
Books & Periodicals	-	1,024
Car Expenses	-	41,915
Directors Fees	-	52,500
Insurance	-	3,307
Interest on Car Loan	-	1,131
Postage Stamp & Telegram	-	5,948
Trade License	-	1,850
Demat Charges	-	6,550
Traveling & Conveyance	-	77,445
Electricity Charges	-	22,280
TOTAL Rs.	<u>1,921,019</u>	<u>690,223</u>

ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS**SCHEDULE XIV:****1. SIGNIFICANT ACCOUNTING POLICIES :****(a) Basis of Preparation of Financial Statements**

The financial statements have been prepared on a going concern basis and on accrual basis, under the historical cost convention and in accordance with the generally accepted accounting principles, the accounting standards issued by the Institute of Chartered Accountants of India and provisions of the Companies Act, 1956, which have been adopted consistently by the Company.

(b) Use of Estimates

The preparation of financial statements requires estimates and assumption to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

(c) Revenue recognition

Revenue from sale of goods is recognized when significant risk and rewards of ownership are transferred to the customers. Sales are net of sales return and trade discount.

(d) Fixed Assets

Fixed Assets are stated at their historical costs less depreciation and upon provision of Impairment Losses duly recognized as per the provisions of AS28 issued by the Institute of Chartered Accountants of India. Cost of Acquisition is inclusive of taxes and other incidental expenses up to date, the assets are put to use.

(e) Depreciation

Depreciation on Fixed Assets has been provided on SLM basis for the period of use at the rates prescribed in Schedule XIV to the Companies Act, 1956.

(f) Investments

Long term investments are stated at cost, Provision for diminution in the value of long term investments is made only if such decline is of a permanent nature.

(g) Inventories

Inventories are valued at cost or net realizable value whichever is lower.

(h) Retirement 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.

(i) Foreign Currency Transactions

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of transaction. Exchange differences, if any arising out of transactions settled during the year are recognised in the profit and loss account. Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are transacted at the closing exchange rate on that date. The exchange differences, if any, are recognised in the profit and loss account and related assets and liabilities are accordingly restated in the Balance Sheet. During the period under review company has not entered into any foreign currency transaction.

(j) Taxation

Deferred tax for the year is recognized on timing difference, being the difference between taxable incomes and accounting income that originates in one period and is capable of reversal in one or more subsequent periods.

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is a reasonable certainty that the assets can be realized in future, however when there is unabsorbed depreciation or carry forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets.

(k) Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the Notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

2. NOTES TO ACCOUNTS :

1. Additional information pursuant to part II of Schedule VI of the Companies Act,1956 :

	2010-2011 (Rs.)	2009-2010 (Rs.)
i) Payment to Directors :		
Directors Remuneration	NIL	NIL
ii) Payment to Auditors :		
Statutory Audit Fees	11,030	20,000
For Certification	11,030	0
Total	22,060	20,000
iii) Earning in Foreign Exchange:	NIL	NIL
iv) Expenditure in Foreign Exchange:	NIL	NIL
v) Quantitative detail in respect of trading goods is enclosed in ANNEXURE "A".		
vi) Other information are either NIL or Not Applicable.		

2. Contingent Liabilities not provided for :

	2010-2011 (Rs.)	2009-2010 (Rs.)
Claims against the company not acknowledged as debts	NIL	NIL
Others	NIL	NIL

3. Balances of Loans and Advances, Sundry Creditors are subject to confirmation and reconciliation and consequential adjustments, if any.

4. In the opinion of the Board & to the best of their knowledge & belief the value of realisation of current assets, loans & advances in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet & the provisions for all the loans & determined liabilities is adequate and not in excess of the amount.

5. The computation of Earning Per Share :

	2010-2011 (Rs.)	2009-2010 (Rs.)
Profit/ (Loss) Attributable to Equity Share Holders (After Tax)	(655089)	379654
Weighted Average Number of Equity Share (Nos.)	5000000	5000000
Basic/ Diluted Earning Per Share	(0.18)	0.03
Face Value per Equity Share	10.00	10.00

6. Major Components of Deferred Tax Assets and Liabilities :

	2010-2011 (Rs.)	2009-2010 (Rs.)
1) Deferred Tax Liability on account of Depreciation	NIL	NIL
2) Deferred Tax Asset /(Liability) Long Term Capital Loss	2,610,467	2,878,571
Deferred Tax Assets/(Liability)	2,610,467	2,878,571

7. **Related Party Transaction :****Key Management Person :**

Dheeraj Shah
Vijay Poddar

7. Balance Sheet Abstract & Company's general business profiles as required by part IV of Schedule VI to the Companies Act, 1956 is enclosed in ANNEXURE "B".
8. 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.
10. Segment Information: The Company is engaged in single segment and there are no separate reportable segments as defined in AS-17.
11. 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**
Chartered Accountants
Sd/-
PRAVIN CHANDAK
PARTNER
M. NO. 049391

For **AND ON BEHALF OF THE BOARD**

Sd/-
Dheeraj Shah
DIRECTOR

Sd/-
Vijay Poddar
DIRECTOR

Place : Mumbai
Date : 30th May, 2011

Annual Report 2010-2011

Balance Sheet Abstract And Company's General Business Profile

I. Registration Details

i) Registration No.	:	19930
ii) State Code	:	21
iii) Balance Sheet Date	:	31/3/2011

II. Capital Raised During the Year (Rs.)

i) Public Issue	:	-
ii) Right Issue	:	-
iii) Bonus Issue	:	-
iv) Private Placement	:	-

III. Position of Mobilisation and Development of Fund (Rs.)

i) Total Liabilities	:	75,723,574
ii) Total Assets	:	75,723,574

Sources of Funds

i) Paid up Capitals	:	50,000,000
ii) Reserve & Surplus	:	13,213,107
iii) Secured Loans	:	-
iv) Unsecured Loans	:	9,900,000
v) Deferred Tax Liability	:	2,610,467

Applications of Funds

i) Net Fixed Assets	:	9,340,831
ii) Deferred Tax Asset	:	-
iii) Investments	:	-
iv) Net Current Assets	:	66,382,743
v) Miscellaneous Expense not w/off	:	-

IV. Performance of Company (Rs.)

i) Turnover	:	12,452,440
ii) Total Expenditure	:	13,730,099
iii) Profit before tax	:	(923,193)
iv) Profit after tax	:	(655,089)
v) Basic/Diluted Earning Per Share	:	(0.18)
vi) Dividend Rate	:	0%

V. Generic Names of Three principle Products / Services of Company

Product	Code No.
i) Shares & Securities	Nil

Place : Mumbai
Date : 30th May, 2011

FOR AND ON BEHALF OF THE BOARD
Sd/- Sd/-
Dheeraj Shah Vijay Poddar
DIRECTOR DIRECTOR

ANNEXURE "A"
QUANTITATIVE INFORMATION OF TRADING GOODS FOR YEAR ENDED 31.03.11

Particulars	Opening Balance		Purchase		Sales		Closing Balance	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Quoted Shares	-	-	254,001	13,700,000	243,900	10,575,000	10,101	3,005,000
Unquoted Shares	10,708	334,896	118	-	1,300	96,418	9,526	252,365
Grand Total	10,708	334,896	254,119	13,700,000	245,200	10,671,418	19,627	3,257,365

ESAAR (INDIA) LTD.
4-A, Council House St., Kolkata- 700001.

PROXY FORM

Reg. Folio NO _____ No. of Shares: _____
D.P. I. D* _____ Client ID* _____

I / we _____ of
_____ Being a shareholder / shareholders of Esaar (India) Ltd.

Hereby appoint _____ or failing
him/her _____ as my/ our proxy to attend and vote for me / us
and on my/ our behalf at the 59th Annual General meeting of the Company to be held on 08/08/2011 at 3:30
P.M. and at any adjournment thereof.

Signed this _____ day of _____ 2011

Signature of the shareholder _____

Affix Re. 1/- Revenue Stamp

Note: The Proxy form duly completed and signed must be deposited at the Registered office of the company
not less than 48 hours before the time for holding the Meeting

*Applicable for shares held in electronic form.

ESAAR (INDIA) LTD.
4-A, Council House St., Kolkata- 700001

ATTENDANCE SLIP
59th Annual General Meeting

Reg. Folio No. _____ No. of shares held _____

Name of the Attending Member _____

D.P.I.D* _____ Client I.D.* _____

I/We hereby record my/our presence at the 59th Annual General Meeting of the company at Regd. Off: 4-A,
Council House St., Kolkata - 700 001.

Signature of the shareholder(s), / Proxy/ Representative _____

Note:

- 1) Member / proxy holder wishing to attend the meeting must bring the attendance slip to the meeting and hand over the same duly signed at the entrance.
- 2) Member/Proxy holder desiring to attend the meeting should bring his copy of the Annual Report for reference at the meeting.