

September 7, 2019

**BSE Limited**  
**Floor 25, P J Towers,**  
**Dalal Street,**  
**Mumbai – 400 001**

**Sub: Intimation of Annual General Meeting and Book Closure Dates**

Dear Sir/Madam

In terms of provisions of Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 this is to intimate that:

1. Thirty First Annual General Meeting (AGM) of the Company is scheduled to be held on Monday, September 30, 2019 at 3.00 P.M at 'Hotel K C Residency, SCO - 377-380, Sector – 35 B, Chandigarh – 160035. The notice of AGM and Annual Report of the Company is attached.
2. The Cut-off date for e-voting has been fixed as September 23, 2019 to record entitlement of the shareholder to cast their vote through remote e-voting or voting at AGM through Ballot Paper. The Remote e-voting period will commence at 9.00 a.m. IST on Friday, September 27, 2019 and end at 5.00 p.m. IST on Sunday, September 29, 2019.
3. Registers of Members and Share Transfer Books of the Company will remain closed from September 23, 2019 to September 30, 2019 (both days inclusive) for the purpose of aforesaid Annual General Meeting of the Company.

This is for your information and records.

Thanking you.

For **Escorts Finance Limited**



**Vicky Chauhan**  
**Company Secretary**

CC: Alankit Assignment Limited, 3E/7, Jhandewalan Extension, New Delhi-110055  
NSDL: 4<sup>th</sup> Floor, 'A' wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai- 400013 &  
CDSL: Phiroze Jheebhoy Towers, 17<sup>th</sup> Floor, Dalal Street, Mumbai- 400001



**31<sup>st</sup>**

**ANNUAL REPORT**

**2018-19**



**ESCORTS  
FINANCE  
LIMITED**



## COMPANY INFORMATION

### **Board of Directors**

Mr. Rajeev Khanna, Whole-time Director

Mr. Sumit Raj

Ms. Preeti Chauhan

Mr. Vinod Dixit

### **Registered Office**

SCO-64-65, Third Floor,  
Sector - 17A, Chandigarh - 160017

**CIN:** L65910CH1987PLC033652

**Website:** [www.escortsfinance.com](http://www.escortsfinance.com)

**E-mail:** [escortsfinance@escorts.co.in](mailto:escortsfinance@escorts.co.in)

### **Company Secretary**

Mr. Vicky Chauhan

### **Chief Financial Officer**

Mr. Donald Fernandez

### **Statutory Auditors**

M/s Kapish Jain & Associates

### **Secretarial Auditors**

M/s Jayant Gupta & Associates

### **Internal Auditors**

M/s Jain Aarushi & Associates

**NOTICE**

Notice is hereby given that the **Thirty First Annual General Meeting (AGM)** of Escorts Finance Limited will be held on **Monday, September 30, 2019 at 3.00 P.M.** at Hotel K C Residency, SCO 377- 380, Sector-35 B, Chandigarh-160035 to transact the following business:

**ORDINARY BUSINESS:**

1. To consider and adopt:
  - a. the audited standalone financial statement of the Company for the financial year ended March 31, 2019, the reports of the Board of Directors and Auditors thereon; and
  - b. the audited consolidated financial statement of the Company for the financial year ended March 31, 2019.

**SPECIAL BUSINESS:**

2. **To appoint Mr. Rajeev Khanna (DIN 08471497) as a Whole-time Director and in this regard, to consider and if thought fit, to pass the following resolution as an "Ordinary Resolution":**

**"Resolved That** pursuant to the provisions of Sections 196, 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 {including any Statutory modification(s) or re-enactment(s) thereof for the time being in force} and subject to such approvals as may be necessary, the consent of the Company be and is hereby accorded for the appointment of Mr. Rajeev Khanna (DIN 08471497) as Whole-time Director of the Company, liable to retire by rotation, for a period of 5 (five) years w.e.f. June 4, 2019 at nil remuneration.

**Resolved Further That** the Board of Directors of the Company be and are hereby authorised to take all necessary steps in this regard."

3. **To appoint Mr. Vinod Dixit (DIN 01147430) as a Director and in this regard, to consider and if thought fit, to pass the following resolution as an "Ordinary Resolution":**

**"Resolved That** pursuant to the provisions of Sections 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), the Companies (Appointment and Qualification of Directors) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 {including any statutory modification(s) or re-enactment(s) thereof for the time being in force}, Mr. Vinod Dixit (DIN 01147430), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and Articles of Association of the Company and who holds office upto the date of this Annual General Meeting, who qualifies for being appointed as a Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

4. **To approve issue and allotment of new Cumulative Redeemable Preference Shares in lieu of redemption of existing Cumulative Redeemable Preference Shares and in this regard, to consider and if thought fit, to pass the following resolution as a "Special Resolution":**

**"Resolved That** pursuant to the provisions of Section 55(3) of the Companies Act, 2013 ("Act") read with Rule 9 of the Companies (Share Capital and Debenture) Rules, 2014 and Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions, if any, including any statutory modifications, amendments, re-enactments, thereof for the time being in force, the provisions of the Memorandum and Articles of Association of Escorts Finance Limited ("Company") and subject to the requisite approvals, sanctions, consents, observations, no objections, confirmations, permission from the National Company Law Tribunal ("NCLT") as may be applicable, and the confirmation, permission, sanction, and approval of the other statutory/ regulatory authorities, if any, in this regard and subject to such other conditions or guidelines, if any, as may be prescribed or stipulated by any such authorities, from time to time, while granting such approvals, sanctions, consents, observations, no objections, confirmations, permissions, consent of the equity shareholders of the Company be and is hereby accorded for the issuance and allotment at par value for consideration other than cash of 95,00,000 - 1% (One percent) Cumulative Redeemable Preference Shares ("CRPS") with face value of INR 10 (Rupees Ten only) each fully



paid up aggregating to INR 9,50,00,000 (Rupees Nine Crore and Fifty Lakh only) to Escorts Limited ("EL") redeemable at the expiry of 20 years from the date of allotment in lieu of the unredeemed 95,00,000 - 10% (Ten percent) CRPS with face value of INR 10 (Rupees Ten only) each, aggregating to INR 9,50,00,000 (Rupees Nine Crore and Fifty Lakh only) held by EL, on such terms and conditions as set out under this resolution.

**Resolved Further That** in accordance with the provisions of Section 55 of the Act read with Rule 9 of the Companies (Share Capital and Debenture) Rules, 2014 the particulars in respect of aforesaid issue of new 95,00,000 - 1% (One percent) CRPS with face value of INR 10 (Rupees Ten only) are as under:

- (i) CRPS shall carry a preferential right vis-a-vis equity shares of the Company with respect to payment of dividend or repayment of capital;
- (ii) CRPS shall be non-participating in the surplus funds;
- (iii) CRPS shall be non-participating in the surplus assets and profits which may remain after the entire capital has been repaid, on winding up of the Company;
- (iv) Holders of CRPS shall be paid dividend on a cumulative basis;
- (v) CRPS shall not be convertible into equity shares;
- (vi) CRPS shall carry voting rights as per the provisions of Section 47(2) of the Act;
- (vii) CRPS shall be redeemable at par within a period not exceeding 20 years of the issue; and
- (viii) CRPS shall not be listed.

**Resolved Further That** pursuant to the provisions of Section 55(3) of the Act read with the rules made thereunder, upon the issue of 95,00,000 - 1% (One percent) CRPS with face value of INR 10 (Rupees Ten only) each by the Company to EL, the unredeemed 95,00,000 - 10% (Ten percent) CRPS with face value of INR 10 (Rupees Ten only) each held by EL, shall be deemed to have been redeemed.

**Resolved Further That** the Board of Directors of the Company be and is hereby authorized, empowered and directed to do all such acts, deeds, matters and things, as may be considered requisite, desirable, appropriate or necessary to give effect to aforesaid resolution and to effectively implement the aforesaid resolutions and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the NCLT, while sanctioning the petition under Section 55(3) of the Act, or by any other authorities under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise in giving effect to the aforesaid resolution."

**5. To approve waiver of outstanding interest amount on the existing Cumulative Redeemable Preference Shares (CRPS) and in this regard, to consider and if thought fit, to pass the following resolution as a "Special Resolution":**

**"Resolved That** pursuant to the applicable provisions of the Act and Rules made thereunder (including modification or re-enactment thereof), Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable acts, rules, regulations, guidelines, notifications, clarifications and circulars and in accordance with the provisions of the Memorandum and Articles of Association of the Company, approval of the Audit Committee of the Board of Directors of the Company vide resolution dated March 27, 2019, and approval of the Board of Directors of the Company vide resolution dated March 27, 2019, the approval of the equity shareholders of the Company be and is hereby accorded for waiver of the entire outstanding interest amount which may be payable by the Company to Escorts Limited (EL) on the unredeemed 95,00,000 - 10% (Ten percent) CRPS with face value of INR 10 (Rupees Ten only) each fully paid up, aggregating to INR 9,50,00,000 (Rupees Nine Crore and Fifty Lakh only) until the date of redemption of the aforesaid unredeemed CRPS pursuant to the provisions of Section 55 (3) of the Act and Rules made thereunder.

**Resolved Further That** the Board of Directors of the Company be and is hereby authorized, empowered and directed to do all such acts, deeds, matters and things, as may be considered requisite, desirable, appropriate or necessary to give effect to aforesaid resolution and to effectively implement the aforesaid resolutions, or as may be required for the purpose of resolving any doubts or difficulties that may arise in giving effect to the aforesaid resolution."



## NOTES:

- 1) **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL ON HIS BEHALF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PROXY MAY BE SENT IN THE ENCLOSED FORM AND IN ORDER TO BE EFFECTIVE MUST REACH AT THE REGISTERED OFFICE OF THE COMPANY DULY COMPLETED AND SIGNED ATLEAST 48 HOURS BEFORE THE COMMENCEMENT OF AGM.**

**A person can act as a proxy on behalf of members not exceeding fifty and holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.**

- 2) A copy of Annual Report containing Audited Financial Statements for the financial year ended March 31, 2019 together with the Reports of the Board of Directors and Auditors' thereon are enclosed. Members are requested to bring their copies of Annual Report at the AGM.
- 3) **Green Initiative:** The Ministry of Corporate Affairs (MCA), Government of India has allowed companies to send documents to the shareholders electronically as part of its green initiatives. Accordingly, the Company is sending documents like the Notice of General Meeting, Financial Statements, Directors' Report, Auditors' Report and other Communication etc., to the e-mail address as registered with the Company/ your depositories. We request you to update your e-mail address with your Depository Participant(s) to ensure that the Annual Report and other documents reach you on preferred e-mail address and the shareholders holding shares in physical mode may inform their e-mail address to the Company.
- 4) The Register of Members and Share Transfer Books of the Company will remain closed from September 23, 2019 to September 30, 2019 (both days inclusive).
- 5) Shareholders/ Proxy holders are requested to produce at the entrance attached attendance slip duly completed and signed, for admission to the AGM hall.
- 6) Members are informed that Share Transfer and related activities are being carried out by Alankit Assignments Limited, Registrar and Share Transfer Agent (Alankit RTA), from the following address: -

### **ALANKIT ASSIGNMENTS LIMITED**

Alankit House  
3E/7, Jhandewalan Extension,  
New Delhi – 110 055  
Tel.- +91-11-42541953  
Fax: +91-11-23552001  
E-mail id: rta@alankit.com

All correspondence may kindly be sent to the above address only.

- 7) The Equity shares of the Company can only be traded in electronic mode w.e.f. June 26, 2000 as per SEBI guidelines. The Company has already entered into agreements with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) for the same. Interested members may opt to convert physical shares of the Company in electronic mode after sending request for dematerialisation through their Depository Participant.
- 8) Members of the Company who are holding shares in physical form and have multiple accounts in identical name(s) or are holding more than one share certificate in the same name under different ledger folio(s) are requested to apply for consolidation of such folio(s).
- 9) Section 72 of the Companies Act, 2013 and Rule 19 of the Companies (Share Capital & Debenture) Rules, 2014 has extended nomination facility to individual shareholders holding shares in physical form. Shareholders are requested to avail the above facility by submitting prescribed **Nomination Form SH-13** to the Alankit RTA. This form is also available on the Company's website **www.escortsfinance.com**.



- 10) Please send all correspondence including requests for transfer/ transmission of shares & change of address etc. to Alankit RTA.
- 11) Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions in writing to the Company Secretary at least ten days before the date of the meeting, so that the required information may be made available at the meeting.
- 12) Members who have not yet paid their "Allotment Money" are advised to send the same along with interest calculated @ 17% p.a. for delayed period i.e. from May 7, 1995 till the date of payment, through demand draft/ cheque payable at Delhi in favour of the Company, to avoid forfeiture.
- 13) Pursuant to the requirements of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "Listing Regulations") on Corporate Governance and Secretarial Standard, the information required to be given in case of appointment or reappointment of Director, is given in the Corporate Governance Report forming part of this Annual Report.
- 14) Electronic copy of the Notice of AGM of the Company inter-alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose e-mail IDs are registered with the Company/ Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their e-mail address, physical copies of the Notice is being sent in the permitted mode.
- 15) Members may also note that the Notice of the AGM and the Annual Report for the financial year ended on March 31, 2019 will also be available on the Company's website **www.escortsfinance.com**. The physical copies of the aforesaid documents along with all documents referred to in the accompanying Notice will also be available at the Company's Registered Office in Chandigarh for inspection during normal business hours on working days between 11.00 A.M. to 3.00 P.M. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's e-mail id **escortsfinance@escorts.co.in**.
- 16) Non-resident Indian shareholders are requested to inform about the following immediately to the Company or its RTA or the concerned Depository Participant, as the case may be, immediately of:-
  - a. The change in the residential status on return to India for permanent settlement.
  - b. The particulars of the NRE Account with a Bank in India, if not furnished earlier.
- 17) The Corporate Members intending to send their authorised representatives to attend the Meeting are requested to send to the Company/ RTA a certified true copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
- 18) **Voting through electronic means:-**
  - I. In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Listing Regulations {including any statutory modification(s) or re-enactment(s) thereof, for the time being in force}, the Company is pleased to provide to Members facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means i.e. Remote e-voting. The Company has appointed CDSL as the Authorised Agency to provide Remote e-voting facility for casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("Remote e-voting").
  - II. The facility for voting through Ballot Paper shall be made available at the venue of AGM and the Members who have not cast their vote by Remote e-voting shall be eligible to exercise their right at the AGM through Ballot Paper.
  - III. The Members who have already cast their votes by Remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again. It is hereby clarified that it is not mandatory for a Member to vote using the Remote e-voting facility.



IV. The process and manner for Remote e-voting are as under:

**Instructions for Voting:-**

**A. In case of members receiving e-mail:**

- i. Log on to the e-voting website **www.evotingindia.com** during Remote e – voting period.
- ii. Click on "Shareholders" tab.
- iii. Now, select the Electronic Voting Sequence Number – "**EVSN**" **190830095** along with "Escorts Finance Limited" from the drop down menu and click on "SUBMIT".
- iv. Now, enter your User ID:
  - a. For NSDL: 8 Character DP ID followed by 8 digits Client ID
  - b. For CDSL: 16 digits beneficiary ID
  - c. For Members holding shares in Physical Form should enter Folio Number Registered with the Company
- v. Next enter the image Verification as displayed and click on Login.
- vi. In case you are holding shares in Demat form and had logged on **www.evotingindia.com** and voting on an earlier voting of any Company then your existing password is to be used.
- vii. If you are a first time user, please follow the steps given below and fill up the following details in the appropriate boxes.

<b>For Member holding shares in Demat and physical form:</b>	
PAN*	Enter your 10 digit alpha-numeric *Permanent Account Number (PAN) issued by Income Tax Department when prompted by the system while e-voting
DOB#	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.
Bank Details#	Enter the Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.

\*Members who have not updated the PAN with the Company/Depository Participant can enter in the PAN field the 10 characters as First 2 Alphabets of First Holder Name followed by 8 Characters consisting of Folio No. prefix by "0" (or 8 Characters from the right BO-ID) No special characters will be taken from the Name and Folio No.

# Please enter any one of the details in order to login. In case either of the details are not recorded with the depository/ Company, please enter the no. of shares held by you as on September 23, 2019 in the Bank Details field.

- viii. Members holding shares in physical form will then directly reach the EVSN 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 shall be used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- ix. For members holding shares in physical form, the details can be used for only e-voting on the resolutions contained in this Notice.
- x. Click on the relevant EVSN on which you choose to vote.
- xi. On the voting page, you will see resolution description and against the same the option YES/ NO





for voting. Select the option YES or NO as desired. The option "YES" implies that you assent to the Resolution and option "NO" implies that you dissent to the Resolution.

- xii. Click on the "Resolutions File Link" if you wish to view the entire resolution(s).
  - xiii. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
  - xiv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
  - xv. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
  - xvi. If demat account holder has forgotten the changed password then enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.
  - xvii. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to log on to **www.evotingindia.com** and register themselves, link their account which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and POA in favour of the Custodian who they have authorised to vote on their behalf, in PDF format in the system for the scrutinizer to verify the vote.
- B. In case of Members receiving the **physical copy of Notice of AGM** {for members whose email IDs are not registered with the Company/ Depository Participant(s) or requesting for physical copy}, please follow all steps from sl. no. (i) to sl. no. (xvi) above, to cast vote.
- V. In case you have any queries regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at **www.evotingindia.com** under help section or write an email to **helpdesk.evoting@cdslindia.com**.
- VI. The e-voting period commences on Friday, **September 27, 2019** (9:00 am IST) and ends on Sunday, **September 29, 2019** (5:00 pm IST). During this period, members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date i.e. **September 23, 2019**, may cast their vote electronically and also at the venue of AGM. The name of Escorts Finance Limited shall be disabled by CDSL for voting thereafter from their e-voting module.
- VII. The voting rights of members shall be in proportion to their share in the Paid-up Equity Capital of the Company as on the cut-off date i.e. **September 23, 2019**.
- VIII. **Members can opt for only one mode of voting** i.e. either by Remote e-voting or physically at the AGM venue through Ballot Paper. In case you are opting for Remote e-voting then do not vote by physical mode at AGM venue and vice-versa. In case members cast their vote both via physical as well as e-voting then voting done through physical mode shall not prevail and voting done by e-voting shall be considered as valid vote.
- IX. Mr. Jayant Gupta, Practicing Company Secretary (Membership No. F7288) has been appointed as the Scrutinizer to scrutinize the voting process in a fair and transparent manner.
- X. The Scrutinizer shall, within a period not exceeding 3 (three) working days from the conclusion of the e-voting period unblock the votes in the presence of at least 2 (two) witnesses not in the employment of the Company and make a Consolidated Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- XI. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website **www.escortsfinance.com** and on the website of CDSL at **www.evotingindia.com** immediately after the result is declared by the Chairman. The Company shall also simultaneously forward the results to BSE Limited where its shares are listed.
- 19) The Securities and Exchange Board of India (SEBI) has mandated submission of PAN by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to Alankit RTA.



- 20) SEBI has decided that securities of listed companies can be transferred only in dematerialised form from April 1, 2019. In view of the above and to avail various benefits of dematerialisation, members are advised to dematerialise shares held by them in physical form.
- 21) SEBI has vide its Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/ 2018/73 dated April 20, 2018 read with Circular No. SEBI/HO/MIRSD/DOS3/CIR/P/2018/115 dated July 16, 2018, has mandated the Company/ RTA to obtain copy of PAN Card and Bank account details from all the shareholders holding shares in physical form. Shareholders are requested to provide the required details as per above circular in the format provided in the Annual Report.

**By Order of the Board  
For Escorts Finance Limited**

**Place: Faridabad  
Dated: July 26, 2019**

**Sd/-  
Vicky Chauhan  
Company Secretary**

**EXPLANATORY STATEMENT IN RESPECT OF SPECIAL BUSINESS {PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 (the "Act")}**

**ITEM NO. 2**

Mr. Rajeev Khanna has been appointed as an additional director of the Company w.e.f June 4, 2019. Based on recommendation of the Nomination and Remuneration Committee (NRC), the Board of Directors have proposed appointment of Mr. Rajeev Khanna as a Director of the Company.

The Company has received a notice in writing from a member under Section 160 of the Act proposing the candidature of Mr. Rajeev Khanna for the office of Director of the Company.

Mr. Rajeev Khanna is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. Mr. Rajeev Khanna is not barred from holding the office of Director pursuant to SEBI order.

The Board of Directors of the Company on the recommendation of Nomination and Remuneration Committee had approved the appointment of Mr. Rajeev Khanna as Whole-time Director of the Company w.e.f. June 4, 2019 for a period of 5 years, liable to retire by rotation, subject to approval of shareholders of the Company at nil remuneration. Your Directors feel that his presence and participation in the deliberations of the Board would be beneficial for the Company's business.

Except Mr. Rajeev Khanna, being appointee, none of the Directors/ Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 2 of the Notice.

Particulars of his qualification, brief resume and area of expertise etc. are provided in the Directors' report.

The Board commends the Ordinary Resolution set out at Item No. 2 of the Notice for approval by the members.

**ITEM NO. 3**

In accordance with the provisions of Section 152 of the Companies Act, 2013 ("the Act"), appointment of a Director requires approval of members. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors has recommended appointment of Mr. Vinod Dixit as a Director on the Board of the Company. The appointment of Mr. Vinod Dixit shall be effective upon approval by the members of the Company.

The Company has received a notice in writing from a member under Section 160 of the Act proposing the candidature of Mr. Vinod Dixit for the office of Director of the Company.

Mr. Vinod Dixit is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. Mr. Dixit is not barred from holding the office of Director pursuant to SEBI order.

Your Directors feel that his presence and participation in the deliberations of the Board would be beneficial for the Company's business.

Particulars of his qualification, brief resume and area of expertise etc. are provided in the Directors' report.

Except Mr. Vinod Dixit, being appointee, none of the Directors, Key Managerial Personnel of the Company or their relatives, is concerned or interested, financial or otherwise, in the resolution set out at Item No. 3.

The Board now commends this resolution for the approval of the equity shareholders of the Company by means of ordinary resolution.



#### ITEM NO. 4

As per the requirements of Section 102(1) of the Companies Act, 2013 ("Act") read with Rule 9(1) and Rule 9(3) of the Companies (Share Capital and Debentures) Rules, 2014, this explanatory statement contains relevant and material information to enable the equity shareholders to consider and approve the special resolution set out at item no. 4 of the annexed notice.

Escorts Finance Limited ("Company") had issued and allotted 95,00,000 - 10% (Ten percent) Cumulative Redeemable Preference Shares ("CRPS") with face value of INR 10 (Rupees Ten only) each, aggregating to INR 9,50,00,000 (Rupees Nine Crore and Fifty Lakh only) to Escorts Limited ("EL") vide resolution of the Committee of Directors of the Company for Banking and Legal Matters dated March 31, 1999.

As per the original terms of the issue, the CRPS had to be redeemed on expiry of 5 (five) years from the date of allotment. Upon the expiry of the aforementioned 5 (five) years, in order to strengthen the capital adequacy of the Company and in view of the unfavourable financial position and huge accumulated losses of the Company, the redemption period of the CRPS was further extended upto March 30, 2019 from time to time, by the Board of Directors ("Board") of the Company and was consented to by EL.

Pursuant to the aforesaid extensions granted by the Board of the Company and EL, the CRPS are liable to be redeemed on or before March 30, 2019. Further, as per Section 55(2) of the Act, which provides for issue and redemption of preference shares, the preference shares issued by a company are liable to be redeemed within a period not exceeding twenty years from the date of their issue. Accordingly, the existing 95,00,000 - 10% (Ten percent) CRPS issued by the Company to EL are liable to be redeemed on or before March 30, 2019. As per Section 55(2)(a) of the Act, the redemption of preference shares can be made only 'out of the profits of the company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purposes of such redemption'. However, in light of the accumulated losses incurred by the Company in the previous years and the severe financial crunch faced by the Company, the CRPS cannot be redeemed on its due date i.e. March 30, 2019. In view of the above, issuance of fresh 95,00,000 - 1% (One percent) CRPS under Section 55(3) of the Act is the only way to resolve the present issue of redemption of the existing CRPS.

Therefore, pursuant to the provisions of Section 55(3) and other applicable provisions, if any, of the Act, read with applicable Rules made thereunder, the Company proposes to file an application before the National Company Law Tribunal, Chandigarh Bench ("NCLT") for issue of 95,00,000 - 1% (One percent) CRPS with face value of INR 10 (Rupees Ten only) each (at par value and for consideration other than cash), aggregating to INR 9,50,00,000 (Rupees Nine Crore and Fifty Lakh only) redeemable at the expiry of 20 years from the date of allotment to EL in lieu of redemption of 95,00,000 - 10% (Ten percent) CRPS with face value of INR 10 (Rupees Ten only) each, aggregating to INR 9,50,00,000 (Rupees Nine Crore and Fifty Lakh only) held by EL. The Board of Directors of the Company, at its meeting held on March 27, 2019, has approved the issuance 95,00,000 - 1% (One percent) CRPS with face value of INR 10 (Rupees Ten only) each to EL, subject to (a) receipt of the 'consent letter' from the preference shareholder i.e. EL; (b) the approval of the public shareholders of the Company, who are eligible to vote on the said resolution, by way of special resolution in relation to issue and allotment of the said CRPS; and (c) receipt of requisite approvals and confirmations being obtained from the NCLT pursuant to Section 55(3) of the Act.

EL has, vide its board resolution dated March 22, 2019, approved the issue of 95,00,000 - 1% (One percent) CRPS with face value of INR 10 (Rupees Ten only) each (at par value and for consideration other than cash), aggregating to INR 9,50,00,000 (Rupees Nine Crore and Fifty Lakh only) redeemable at the expiry of 20 years from the date of allotment to EL in lieu of redemption of 95,00,000 - 10% (Ten percent) CRPS with face value of INR 10 (Rupees Ten only) each, aggregating to INR 9,50,00,000 (Rupees Nine Crore and Fifty Lakh only) held by EL. The aforementioned board resolution and the petition filed by the Company with NCLT is available for inspection. The aforementioned documents will also be available for inspection of the shareholders at the general meeting venue.

Further, the Audit Committee of the Board in its meeting held on March 27, 2019 has approved the issue and allotment at par value for consideration other than cash of 95,00,000 - 1% (One percent) CRPS with face value of INR 10 (Rupees Ten only) each fully paid up, aggregating to INR 9,50,00,000 (Rupees Nine Crore and Fifty Lakh only) redeemable at the expiry of 20 years from the date of allotment to EL in lieu of redemption of the unredeemed 95,00,000 - 10% (Ten percent) CRPS with face value of INR 10 (Rupees Ten only) each fully paid up, aggregating to INR 9,50,00,000 (Rupees Nine Crore and Fifty Lakh only) held by EL, due for redemption on March 30, 2019, in accordance with Section 55 of the Act read with Rule 9 of the Companies (Share Capital and Debentures) Rules, 2014 and other applicable laws.



Now the approval of the equity shareholders is accordingly being sought by means of a special resolution under Section 55 of the Act read with Rules made thereunder and read with Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable acts, rules, regulations, guidelines, notifications, clarifications and circulars for the issue and allotment at par value for consideration other than cash of new 95,00,000 - 1% (One percent) CRPS with face value of INR 10 (Rupees Ten only) each, aggregating to INR 9,50,00,000 (Rupees Nine Crore and Fifty Lakh only) redeemable at the expiry of 20 years from the date of allotment to EL.

Given below are the terms of issuance of the CRPS and a statement of disclosures as required under Rule 9(3) of the Companies (Share Capital and Debentures) Rules, 2014:

Issue size, number of preference shares to be issued and nominal value of each share	95,00,000 - 1% (One percent) CRPS with face value of INR 10 (Rupees Ten only) each, aggregating to INR 9,50,00,000 (Rupees Nine Crore and Fifty Lakh only)
Nature of shares	Cumulative Redeemable Preference Shares
The objective of the issue	The existing CRPS held by EL are liable to be redeemed on or before March 30, 2019. However, due to the accumulated losses incurred by the Company in the previous years and severe financial crunch faced by the Company, the said 95,00,000 - 10% (Ten percent) CRPS with face value of INR 10 (Rupees Ten only) each, issued by the Company cannot be redeemed on its due date i.e. March 30, 2019. Therefore, pursuant to the provisions of Section 55(3) of the Act, the Company filed an application before the NCLT for issue of 95,00,000 - 1% (One percent) CRPS with face value of INR 10 (Rupees Ten only) each to EL so that the existing unredeemed 95,00,000 - 10% (Ten percent) CRPS with face value of INR 10 (Rupees Ten only) each will be deemed to be redeemed in terms of Section 55(3) of the Act.
Manner of issue of shares	The CRPS will be issued and offered to EL in accordance with the provisions of Section 55(3) of the Act.
Issue Price	INR 10 (Ten only) per share
Basis on which price has been arrived	Not applicable since the issue is at par.
Terms of Issue	CRPS shall carry a preferential right vis-a-vis equity shares of the Company with respect to payment of dividend or repayment of capital; CRPS shall be non-participating in the surplus funds of the Company; CRPS shall be non-participating in the surplus assets and profits which may remain after the entire capital has been repaid, on winding up of the Company; Holders of CRPS shall be paid dividend at the rate of 1% (One percent) on a cumulative basis; CRPS shall not be convertible into equity shares of the Company; CRPS shall carry voting rights as per the provisions of Section 47(2) of the Act; CRPS shall be redeemable at par within a period not exceeding 20 years of the issue; and CRPS shall not be listed.
Terms of Redemption	Not exceeding 20 years. Other terms may be as determined by the Board subject to provisions of Act.
Manner and modes of Redemption	As may be determined by the Board subject to provisions of the Act and Rules made thereunder.
Expected dilution in Equity Capital upon conversion of Preference Shares.	Not applicable.



The shareholding pattern of the Company is available on the website of the Company at [www.escortsfinance.com](http://www.escortsfinance.com). None of the Directors, Managers or Key Managerial Personnel or their Relatives, is in any way, concerned or interested, financially or otherwise in this resolution except to the extent of their shareholding in the Company.

As on June 30, 2019, EL and Escorts Benefit and Welfare Trust ("Trust") hold approximately 9.49% and 58.38% of the total shares of the Company, respectively. Further, EL is the sole beneficiary of the Trust and indirectly it is holding majority shares of the Company and hence, it is a related party by virtue of its relationship as a holding company of the Company, as disclosed in this Annual Report of the Company.

Pursuant to Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, all material related party transactions shall require approval of the shareholders through resolution and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not. As per the Explanation to Regulation 23(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a transaction with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds 10% (Ten percent) of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity.

The issue and allotment of 95,00,000 - 1% (One percent) CRPS with face value of INR 10 (Rupees Ten only) each to EL aggregates to INR 9,50,00,000 (Rupees Nine Crore and Fifty Lakh only), which exceeds ten percent of Rs. 41.07 Lakhs, which is the annual consolidated turnover of the Company as per the last audited financial statements (FY 2018-19) of the Company. Hence, the issue of 95,00,000 - 1% (One percent) CRPS with face value of INR 10 (Rupees Ten only) each, aggregating to INR 9,50,00,000 (Rupees Nine Crore and Fifty Lakh only) to EL in lieu of redemption of the unredeemed 95,00,000 - 10% (Ten percent) CRPS with face value of INR 10 (Rupees Ten only) each, aggregating to principal amount of INR 9,50,00,000 (Rupees Nine Crore and Fifty Lakh only) held by EL is a material related party transaction in terms of Regulation 23(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, pursuant to which no related party, including EL, shall vote to approve this resolution for the transaction.

Pursuant to Section 55 of the Act read with Rule 9(1)(a) of the Companies (Share Capital and Debentures) Rules, 2014, the issue of preference shares by the Company is required to be authorized by passing a special resolution in the general meeting of the Company. Further, pursuant to Section 55(3) of the Act read with the Rules made thereunder, subject to approval of the NCLT, for the purposes of redemption of the existing 95,00,000 - 10% (Ten percent) CRPS with face value of INR 10 (Rupees Ten only) each, aggregating to principal amount of INR 9,50,00,000 (Rupees Nine Crore and Fifty Lakh only) held by EL, it is proposed that the Company will issue and allot 95,00,000 - 1% (One percent) CRPS with face value of INR 10 (Rupees Ten only) each, aggregating to INR 9,50,00,000 (Rupees Nine Crore and Fifty Lakh only) to EL.

Therefore, the Board now commends this resolution for the approval of the equity shareholders of the Company by means of special resolution.

#### **ITEM NO. 5**

The Company had issued and allotted 95,00,000 - 10% (Ten percent) CRPS with face value of INR 10 (Rupees Ten only) each, aggregating to INR 9,50,00,000 (Rupees Nine Crore and Fifty Lakh only) to EL vide resolution of the Committee of Directors of the Company for Banking and Legal Matters dated March 31, 1999. As of March 31, 2018, the outstanding interest pertaining to the said CRPS, has been waived by the sole preference shareholder i.e. EL. In light of the financial crunch and huge accumulated losses, the Company is unable to pay the outstanding interest amount which may be payable by the Company to EL on 95,00,000 - 10% (Ten percent) CRPS with face value of INR 10 (Rupees Ten only) each fully paid up, aggregating to INR 9,50,00,000 (Rupees Nine Crore and Fifty Lakh only) until the date of redemption of the aforesaid CRPS pursuant to the provisions of Section 55 (3) of the Act and Rules made thereunder.

Further, the Audit Committee of Board of the Company in its meeting held on March 27, 2019 has approved that the Company shall request EL to waive the entire outstanding interest amount which may be payable by the Company to EL on 95,00,000 - 10% (Ten percent) CRPS with face value of INR 10 (Rupees Ten only) each fully paid up, aggregating to INR 9,50,00,000 (Rupees Nine Crore and Fifty Lakh only) until the date of redemption of the aforesaid CRPS pursuant to the provisions of Section 55 (3) of the Act and Rules made thereunder.

EL has, vide its Board Resolution dated March 22, 2019, further waived all the interest payable on the aforesaid unredeemed 95,00,000 - 10% CRPS held by it until the deemed redemption of such CRPS. The aforementioned



board resolution and the petition filed by the Company with NCLT is available for inspection in physical or in electronic form at the registered office of the Company located at SCO- 64-65, Third Floor, Sector- 17-A, Chandigarh – 160017, India between 11.00 AM to 3.00 PM. The aforementioned documents will also be available for inspection of the shareholders at the general meeting venue.

Now the approval of the equity shareholders of the Company is accordingly being sought by means of a resolution pursuant to Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable statutes, rules, regulations, guidelines, notifications, clarifications and circulars for the waiver of the entire outstanding interest amount which may be payable by the Company to EL on 95,00,000 - 10% (Ten percent) CRPS with face value of INR 10 (Rupees Ten only) each fully paid up, aggregating to INR 9,50,00,000 (Rupees Nine Crore and Fifty Lakh only) until the date of redemption of the aforesaid CRPS pursuant to the provisions of Section 55(3) of the Act and Rules made thereunder.

None of the Directors, Managers or Key Managerial Personnel or their Relatives, is in any way, concerned or interested, financially or otherwise in this resolution except to the extent of their shareholding in the Company.

As on June 30, 2019, EL and the Trust hold approximately 9.49% and 58.38% of the total shares of the Company, respectively. Further, EL is the sole beneficiary of the Trust and indirectly it is holding majority shares of the Company and hence, it is a related party by virtue of its relationship as a holding company of the Company, as disclosed in this Annual Report of the Company.

Pursuant to Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, all material related party transactions shall require approval of the shareholders through resolution and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not. As per the Explanation to Regulation 23(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a transaction with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds 10% (Ten percent) of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity.

The waiver of the entire outstanding interest amount which may be payable by the Company to EL on 95,00,000 - 10% (Ten percent) CRPS with face value of INR 10 (Rupees Ten only) each fully paid up, aggregating to INR 9,50,00,000 (Rupees Nine Crore and Fifty Lakh only) until the date of redemption of the aforesaid CRPS exceeds 10% (Ten percent) of Rs. 41.07 Lakhs, which is the annual consolidated turnover of the Company as per the last audited financial statements (FY 2018-19) of the Company. Hence, the waiver of the entire outstanding interest amount which may be payable by the Company to EL on 95,00,000 - 10% (Ten percent) CRPS with face value of INR 10 (Rupees Ten only) each fully paid up, aggregating to INR 9,50,00,000 (Rupees Nine Crore and Fifty Lakh only) until the date of redemption of the aforesaid CRPS, is a material related party transaction in which no related party, including EL, shall vote to approve this resolution for the transaction.

The Board now commends this resolution for the approval of the equity shareholders of the Company by means of ordinary resolution.

**By Order of the Board  
For Escorts Finance Limited**

**Sd/-  
Vicky Chauhan  
Company Secretary**

**Place: Faridabad  
Dated: July 26, 2019**



Dear Shareholders,

Your Directors are pleased to present the Thirty First Annual Report, together with the Audited Financial Statements of the Company for the financial year ended March 31, 2019 and the Auditors' Report thereon.

**Financial Results**

**(Rs. In Lacs)**

<b>Particulars</b>	<b>Financial Year ended March 31, 2019</b>	<b>Financial Year ended March 31, 2018</b>
Gross Income	<b>44.36</b>	<b>16.42</b>
Profit/ (Loss) before write off, provisions & tax	<b>6.80</b>	<b>(276.21)</b>
Tax adjustment for earlier years	-	<b>178.80</b>
Profit/ (Loss) after Tax	<b>6.80</b>	<b>(97.41)</b>

The Gross Income comprises of amount(s) received on recovery of delinquent assets through settlement/ compromise/ legal action.

**Dividend**

In view of losses suffered by the Company, no dividend has been considered for the year.

**Fixed Deposits**

An amount of Rs. 10.13 Lacs has been paid to the Fixed Deposit holders during the financial year ended March 31, 2019. As on the said date, there is an unclaimed/ unpaid fixed deposit liability of Rs. 1085.00 Lacs.

**Management Discussion and Analysis**

**(i) Industry Structure and Development & Opportunities and Threats**

The Company has surrendered its Certificate of registration and RBI also through its Order dated April 16, 2016 has cancelled Company's Certificate Registration No- A- 14.01690.

The Company is presently engaged in recovery of delinquent loan assets and settlement of old legal cases filed by/ against the Company. Your directors are exploring the possibilities of venturing into new business areas.

**(ii) Opportunities and threats**

The Company is presently engaged in recovery of delinquent loan assets and settlement of old legal cases filed by/ against the Company. Your directors are exploring the possibilities of venturing into new business areas.

**(iii) Segment-wise or Product-wise Performance**

The Company has been primarily engaged in the business of hire purchase, leasing, bill discounting and non-fund based activities. Since the risk and returns in these businesses are similar, therefore, these are grouped as a single segment. This is in accordance with the guiding principle provided in the Indian Accounting Standard on Segment Reporting (IND AS - 108) issued by The Institute of Chartered Accountants of India.

The Company is presently engaged in recovery of delinquent loan assets and settlement of old legal cases filed by/ against the Company. Your directors are exploring the possibilities of venturing into new business areas.

**(iv) Future Outlook**

The Company is presently engaged in recovery of delinquent loan assets and settlement of old legal cases filed by/ against the Company. Your directors are exploring the possibilities of venturing into new business areas.

**(v) Risks and Concerns**

The Company is presently engaged in recovery of delinquent loan assets and settlement of old legal cases filed by/ against the Company. The management sees uncertainty in such settlements as the present functioning is only limited to recovery of delinquent loan assets. However, your directors are exploring the possibilities of venturing into new business areas.

**(vi) Internal Control Systems and their adequacy**

The Internal Control Systems are in place to serve the existing operations of the Company.



### **(vii) Financial Performance**

The profit for the year after write offs/ provisions etc. and tax amounts to Rs. 6.80 Lacs.

### **(viii) Human Resource and Industrial Relations**

The Company is having three employees as on the date of this report. Your Directors relation at all levels with employees were cordial.

### **Cautionary Statement**

Statements in this Management Discussion and Analysis section describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations are significant changes in political and economic environment in India, tax laws, RBI regulations, exchange rate fluctuation and related costs.

### **Directors**

Mr. Pritam Narang, Whole-time Director of the Company has resigned from the Board of the Company w.e.f. June 4, 2019. The Board places on record its appreciation for the valuable guidance and services rendered by Mr. Rochak Puri and Mr. Pritam Narang during their respective tenure with the Company.

The Board of Directors of the Company has on the recommendation of Nomination and Remuneration Committee and in accordance with the provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 co-opted Mr. Rajeev Khanna as a Whole-time Director on the Board of the Company w.e.f. June 4, 2019 subject to approval of members at the AGM. He shall hold office as Additional Director designated as Whole-time Director of the Company upto the date of ensuing AGM and is eligible for appointment as a Director.

Pursuant to the provisions of Section 196, 203 and other applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Remuneration) Rules, 2014, your directors are seeking appointment of Mr. Rajeev Khanna as a Whole Time Director for a period of 5 years.

The Board of Directors of the Company has on the recommendation of Nomination and Remuneration Committee and in accordance with the provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 co-opted Mr. Vinod Dixit as an Additional Director on the Board of the Company w.e.f. July 26, 2019. He shall hold office as an Additional Director of the Company upto the date of ensuing AGM and is eligible for appointment as a Director.

The Company has received a declaration from Independent Directors under section 149(6) of Companies Act, 2013.

The policy for Appointment and Remuneration of Director's, Key Managerial Personnel and Other Employees is attached as **Annexure – A** and forms an integral part of this report.

The Company has devised the criteria for performance evaluation of Independent Directors, Board, Committees and other individual Directors which includes criteria for performance evaluation of the non-executive directors. Evaluation was done by the Board for its own performance and that of its Committees and individual Directors.

The brief resume and other details relating to the Director(s) proposed to be appointed/ re-appointed, as required to be disclosed under Listing Regulations and other applicable provisions are provided as under:

<b>Particulars</b>	<b>Mr. Rajeev Khanna</b>	<b>Mr. Vinod Dixit</b>
Director Identification Number	08471497	01147430
Date of Birth	03.03.1957	10.12.1961
Date of Appointment	04.06.2019	26.07.2019
Qualifications	Associate Member of ICWA	M.Com, LLB
Brief Resume and Area of Expertise	Mr. Rajeev Khanna is having approx. 40 years of experience in his field and is also having strong leadership skills which will be beneficial for the company in long run.  His appointment is done on the basis of his leadership quality and past experience.	He is having approx. 35 years of experience in his field and is also having strong leadership skills which will be beneficial for the Company in the long run.  His appointment is done on the basis of his leadership quality and past experience.





Directorships held in other companies (excluding foreign companies)	-	<ol style="list-style-type: none"> <li>1. Escorts Securities Ltd.</li> <li>2. Escorts Consumer Credit Limited</li> <li>3. EEWL Limited</li> <li>4. Sietz Technologies India Pvt. Ltd.</li> </ol>
Committee Memberships of other Companies (includes only Audit Committee and Stakeholders Relationship Committee)	-	Sietz Technologies India Pvt Ltd. Audit Committee: Chairman Nomination & Remuneration Committee: Member Escorts Securities Limited Audit Committee: Chairman
Number of shares held in the Company	-	-
Relationship between directors inter-se	There is no inter-se relationship between Mr. Rajeev Khanna and other directors.	There is no inter-se relationship between Mr. Vinod Dixit and other directors.
Terms and Conditions of appointment/ re-appointment along with details remuneration, if any	The directors have been appointed in terms of the provisions of Companies Act, 2013 and are responsible to undertake the roles and responsibilities prescribed under the Companies Act, 2013 and other laws for the time being in force. In addition, the Directors are also responsible to undertake the roles and responsibilities assigned by the Board from time to time.	

The details of programme for familiarisation of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of industry in which the Company operates, business model of the Company and related matters are put up on the website of the Company [www.escortsfinance.com](http://www.escortsfinance.com).

### **Corporate Governance**

Your Company reaffirms its commitment to the good corporate governance practices and has adopted the Code of Conduct which has set out the systems, processes and policy conforming to established standards. Pursuant to the Listing Regulations, the Corporate Governance Report and Auditors' Certificate regarding compliance of conditions of Corporate Governance are enclosed as **Annexure – B** and forms an integral part of this Report.

### **Consolidated Financial Statements**

The Consolidated Financial Statements in accordance with the Companies Act, 2013 and Indian Accounting Standard (Ind AS)-110 applicable to the Consolidated Financial Statements read with Ind AS-28 on Accounting for Investments in Associates and Ind AS-31 on Financial Reporting of Interests in Joint Ventures issued by The Institute of Chartered Accountants of India have been prepared. The Audited Consolidated Financial Statements along with the Auditors' Report thereon are annexed with this Report.

### **Subsidiaries, Joint Ventures and Associate Companies**

The statement containing salient features of financial statements of associate companies prepared in accordance with Section 129 of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014, forms an integral part of this Report. The Consolidated Financial Statements presented by the Company include the financial results of its associate company.

The Company will make available the Annual Accounts of its associate company and related information to the members of the Company who may be interested in obtaining the same. The annual accounts of its associate company will also be kept open for inspection at the Registered Office of the Company.

Escorts Securities Limited ceased to be an associate of the company w.e.f. May 11, 2018.



## **Auditors and Auditors' Report**

### **Statutory Auditors**

Pursuant to the provisions of Section 139 of the Act read with Companies (Audit and Auditors) Rules, 2014, the shareholders of the Company in the 29th AGM held on September 26, 2017 had appointed M/s Kapish Jain & Associates, Chartered Accountants, New Delhi (Firm Registration No. 022743N) as Statutory Auditors of the Company for a period of 5 years i.e. upto the conclusion of AGM to be held in the year 2022.

In accordance with the Companies (Amendment) Act, 2017 enforced on May 7, 2018 by MCA, the appointment of Statutory Auditors is not required to be ratified by members at every AGM.

### **Secretarial Auditors**

The Board of Directors of the Company had appointed M/s Jayant Gupta and Associates, Practicing Company Secretaries to conduct secretarial audit of the Company for the financial year 2018-19. The Secretarial Audit Report for the financial year ended March 31, 2019 is enclosed as **Annexure – F** and forms an integral part of this Report.

### **Auditors Qualifications/ Observations and Management Comments Thereon**

The qualifications/ observations made by the Statutory Auditors in the Auditors' Report are dealt with separately in the Notes to the Balance Sheet and the Statement of Profit and Loss. Management response to the same is as under:

**Note 33:** Complete facts have been disclosed in the note which is self-explanatory and do not call for any further comments.

Management responses to the observations made by the Secretarial Auditors in the Secretarial Audit Report are dealt as under:

- a. In view of non availability of any profitable business line and protracted litigations in the Company, potential and suitable candidates were unwilling to take directorship in the Company. This was hampering the Company's efforts to meet the constitution norms for the Nomination and Remuneration Committee ("NRC") of the Board. However, with continuous pursuit, the Company could appoint Mr. Vinod Dixit as a Non Executive Director on the Board w.e.f. July 26, 2019 and thereafter, the NRC was reconstituted in compliance with the applicable provisions.
- b. Please refer to Note 33 of the Notes to Accounts forming part of Balance Sheet which is self-explanatory and does not call for any further comments.

### **Particulars of Employees**

In terms of provisions of Section 197(12) of the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names of the employees in terms of remuneration drawn is available with the Company Secretary. Having regard to the provisions of Section 136(1) of the Act, the Annual Report excluding the aforesaid information is being sent to the members of the Company. Any member interested in obtaining such particulars may write to the Company Secretary of the Company and the same will be furnished on request.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as **Annexure – C** and forms an integral part of this Report.

### **Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo**

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under Section 134(3)(m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are as follows:-

#### **A. Conservation of Energy**

Your Company being engaged in financing business and does not have any activity relating to conservation of energy.



## **B. Technology absorption: N.A**

## **C. Foreign exchange earnings and outgo**

During the period under review, there was no foreign exchange outflow from your Company and it had no foreign exchange earnings.

### **Disclosures**

#### **Meetings of the Board**

Five meetings of the Board of Directors were held during the year. For further details, please refer Report on Corporate Governance annexed as **Annexure – B** to this report.

#### **Audit Committee**

All the recommendations made by the Audit Committee were accepted by the Board.

For constitution and other details of the Audit Committee, please refer Report on Corporate Governance annexed as **Annexure- B** to this report.

#### **Extracts of Annual Return**

In terms of provisions of Section 92 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the extracts of Annual Return in Form MGT-9 is enclosed as **Annexure – D** and forms an integral part of this Report.

#### **Particulars of Loans given, Investments made, Guarantees given and Securities provided**

During the year under review, no loan, guarantees and securities has been provided. The details of investments made during the year is provided in Note 5 of the Notes to accounts.

#### **Contracts and Arrangements with Related Parties**

During the year, the Company had not entered into any contract/ arrangement/ transaction with related parties.

The particulars of contracts and arrangement with related parties under section 188(1) in Form AOC-2 are enclosed as **Annexure – E**.

The Policy on materiality of related party transactions and dealing with related party transactions as provided by the Board may be accessed on the Company's website at the link: [www.escortsfinance.com](http://www.escortsfinance.com).

Your directors draw attention of the members to Note 38 & 39 to the financial statement which sets out related party disclosures.

#### **Internal Financial Controls**

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

#### **Risk Management**

A Risk Management Committee which has been entrusted with the responsibility to assist the Board in (a) overseeing and approving the Company's enterprise wide risk management framework; and (b) overseeing that all the risks that the organisation faces such as strategic, financial, credit, market, liquidity, security, property, IT, legal, regulatory, reputational and other risks have been identified and assessed and there is an adequate risk management infrastructure in place capable of addressing those risks.

#### **Secretarial Standards**

The Company is in compliance with all the applicable Secretarial Standards.

#### **Prevention of Sexual Harassment**

Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.



### **Significant or material orders passed by the Regulators or Courts or Tribunals**

No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

### **Material Changes and Commitment affecting the financial position**

There are no material changes affecting the financial position of the Company subsequent to the close of the Fiscal 2019 till the date of this report.

### **Directors' Responsibility Statement**

Pursuant to the requirement under Section 134(5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- (i) in the preparation of the annual accounts for the year ended March 31, 2019, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed alongwith proper explanation relating to material departures;
- (ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 and of the profit and loss of the Company for the year ended on that date;
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the Directors have prepared the annual accounts for financial year ended March 31, 2019 on a 'going concern' basis;
- (v) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- (vi) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **Acknowledgement**

Your Directors wish to acknowledge and thank the co-operation and assistance extended by the Banks, Financial Institutions, Government Agencies, Customers and Depositors.

The Directors also wish to convey their deep appreciation for the contribution made by the employees to the operations of the Company, in particular those who continued with the Company and extended their full support during this difficult period. We also convey our thanks to our esteemed shareholders for their continued support and encouragement.

**For and on behalf of the Board of Directors**

**Place: Faridabad**  
**Dated: : July 26, 2019**

Sd/-  
**Rajeev Khanna**  
**Whole-Time Director**  
**DIN: 08471497**

Sd/-  
**Sumit Raj**  
**Director**  
**DIN: 07171298**



### **Policy on Appointment and Remuneration of Directors, Key Managerial Personnel and Other Employees**

#### **Introduction**

In accordance with Section 178 of the Companies Act, 2013, the Nomination and Remuneration Committee (the Committee) has formulated this **Policy on Appointment and Remuneration of Directors, Key Managerial Personnel and Other Employees** ("the Policy").

The objective of the policy is to ensure that Directors and other employees are sufficiently compensated for their performance. The Policy seeks to provide criteria for determining qualifications, positive attributes and independence of a director.

This Policy was recommended by the Committee of the Company and approved by the Board at its meeting held on February 12, 2015.

#### **Criteria for Board Membership**

##### **Directors**

The Company shall take into account following points:

- Director must have relevant experience in Finance/ Law/ Management/ Sales/ Marketing/ Administration/ Research/ Corporate Governance/ Technical Operations or the other disciplines related to company's business.
- Director should possess the highest personal and professional ethics, integrity and values.
- Director must be willing to devote sufficient time and energy in carrying out their duties and responsibilities.

##### **Independent Director**

Independent Director is a director who has no direct or indirect material relationship with the Company or any of its officers, other than as a director or shareholder of the Company.

Independent Director shall meet all criteria specified in Section 149(6) of the Companies Act, 2013 and rules made thereunder and Clause 49 of the Listing Agreement entered into with the Stock Exchange.

#### **Appointment and Remuneration**

##### **Directors**

The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the candidate for appointment as Director and recommend to the Board their appointment.

A person should possess adequate qualification, expertise and experience for the position he/ she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient/ satisfactory for the concerned position.

Independent Directors shall be appointed for their professional expertise in their individual capacity as independent professionals/ Business Executives.

The directors of the Company shall receive sitting fees for attending the meeting of the Board and Audit Committee of the Company.

##### **Key Managerial Personnel (KMP) and Other Employees**

The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the candidate for appointment as KMP and recommend to the Board their appointment.

A person should possess adequate qualification, expertise and experience for the position he/ she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient/ satisfactory for the concerned position.

The remuneration of employees largely consists of basic salary, perquisites and other allowances. Perquisites and retirement benefits are paid according to the Company policy, subject to prescribed statutory ceiling.

The components of the total remuneration vary for different grades, qualification & experience/ merits and performance of each employee.

##### **Evaluation Criteria**

The Committee shall develop such assessment criteria as it shall deem fit for the purpose of undertaking performance evaluation. The Committee shall undertake an annual performance evaluation based on the relevant assessment criteria developed by it. The assessment criteria for performance evaluation shall be disclosed in accordance with the relevant applicable provisions.



## I. Company's Philosophy on Corporate Governance

Corporate Governance may be defined as a set of systems, processes and principles, which ensure that a Company is governed in the best interest of all stakeholders. It is the system that directs and controls respective companies. It is about promoting corporate fairness, transparency and accountability. In other words, 'Good Corporate Governance' is simply 'good business'.

In India, the question of Corporate Governance has emerged mainly in the wake of economic liberalization and de-regularization of industry and business. The objective of any Corporate Governance system is to simultaneously improve corporate performance and accountability. These, in turn, help to attract financial and human resources on the best possible terms and prevent corporate failure.

Corporate Governance consists of procedures and processes, according to which an organisation is directed and controlled. Its structure specifies the distribution of rights and responsibilities among different pan-organisational participants, such as the Board, managers, shareholders and other stakeholders. The system helps to lay down the rules and procedures for decision making.

The objective of Good Corporate Governance is to ensure the Board's commitment towards transparent management to maximise long-term value for the Company's shareholders and other partners. It integrates all the participants involved in a process, which is economic and at the same time, social.

A well-defined and enforced Corporate Governance benefits everyone concerned by ensuring that the enterprise adheres to accepted ethical standards and best practices, as well as to applicable laws.

Corporate Governance goes beyond the practices enshrined in the laws and is imbibed in the basic business ethics and values that needs to be adhered to in letter and spirit. However a transparent, ethical and responsible Corporate Governance framework essentially emanates from the intrinsic will and passion for good governance ingrained in the organisation.

Good Corporate Governance practices are also essential for a sustainable business model for generating long term value for all its stakeholders.

At Escorts Finance Limited, Corporate Governance practices aim to adhere to the highest governance standards through continuous evaluation and benchmarking.

## II. Board of Directors

### (i) Composition and Category of Directors

The composition of the Board of Directors is in conformity with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "Listing Regulations"), as amended from time to time. The Board of Directors alongwith its Committees provide leadership and guidance to the Company's management and direct, supervises and controls the performance of the Company. As on March 31, 2019, the Company's Board comprised of Three (3) Directors out of which two (2) are Independent Non-Executive Directors.

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the Listing Regulations read with Section 149(6) of the Companies Act, 2013 ("the Act"). The maximum tenure of Independent Directors is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16(1)(b) of the Listing Regulations read with Section 149(6) of the Act.

The details of Directors with regard to their directorships and committee positions as on March 31, 2019 are as follows:

Name	Designation	Category	No. of Board meetings attended during the year	Whether attended the last AGM	No. of Directorships in Public Companies*	Committee Positions held**	
						Member-ship	Chairman-ship
Mr. Pritam Narang	Whole-time Director	Executive & Non Independent	5	Yes	2	NIL	NIL
Mr. Sumit Raj	Director	Non-Executive & Independent	5	No	1	NIL	NIL
Ms. Preeti Chauhan	Director	Non-Executive & Independent	5	No	1	NIL	NIL
Mr. Rochak Puri ***	Director	Non-Executive & Independent	1	No	NIL	NIL	NIL

\* Including Escorts Finance Limited.

\*\* In accordance with Regulation 26, Membership/ Chairmanship of Audit Committee and Stakeholders' Relationship Committee in all Public Limited Companies (excluding Escorts Finance Limited) have been considered.

\*\*\* Resigned w.e.f May 16, 2018.

**Notes:** 1) None of the Directors is representing a Lender or Equity Investor.  
2) None of the Directors hold any shares in the Company



## (ii) Board Meetings

During the year ended on March 31, 2019 the Board of Directors met Five (5) times on May 16, 2018, August 9, 2018, October 23, 2018, January, 21, 2019 and March 27, 2019.

The gap between any two Board meetings did not exceed 120 days.

### Board Meeting Procedures

Escorts Finance Limited's Board is presented with detailed notes, along with the agenda papers, well in advance of the meeting. All material information is incorporated in the agenda for facilitating meaningful and focused discussions at the meeting. Where it is not practical to attach any document to the agenda, the same is tabled before the meeting with specific reference to this effect in the agenda. In special and exceptional circumstances, additional or supplementary items on the agenda are permitted. The required information as enumerated in Part A of Schedule II of the Listing Regulations are regularly made available to the Board of Directors for discussion and consideration at Board Meetings.

### Information supplied to the Board

Regular presentations are made to the Board of Directors covering Business Operations, Finance, Sales, Accounts, Marketing, Compliances and other important business issues. The Annual Operating and Capital Budget(s) are approved by the Board of Directors. The Board spends considerable time in reviewing the actual performance of the Company vis-à-vis the approved budget.

## (iii) Code of Conduct

The Company has adopted a Code of Conduct for Directors and Senior Management of the Company. The Code has been circulated to all the members of the Board and Senior Management and the same is available on the Company's website: [www.escortsfinance.com](http://www.escortsfinance.com).

The Board Members and Senior Management Personnel of the Company have affirmed their compliance with the code. A declaration to this effect signed by Mr. Rajeev Khanna, Whole time Director of the Company is contained hereinafter in this Report.

### Declaration by C.E.O.

The Board of Directors,  
Escorts Finance Limited

Dear Sir,

I hereby confirm that:

The Company has received from the members of the Board and Senior Management, a declaration of Compliance with the Code of Conduct for Directors and Senior Management during the Financial Year ended on March 31, 2019.

Place: Faridabad

Dated: July 26, 2019

Sd/-  
**Rajeev Khanna**  
Whole-time Director

### Whistle Blower Policy

The Company has adopted a Whistle Blower Policy to report instances of unethical behavior, fraud or violation of the Ethic Policy of the Company. The Whistle Blower Policy has been circulated to all the employees and directors of the Company and the same is available on the Company's website: [www.escortsfinance.com](http://www.escortsfinance.com).

## III. Audit Committee

### (i) Constitution

During the year ended March 31, 2019 the Audit Committee reconstituted due to the resignation of Mr. Rochak Puri. As on March 31, 2019 the Audit Committee comprises of the following Directors:

Director	Designation	Category
Mr. Sumit Raj	Chairman	Non-Executive Independent Director
Ms. Preeti Chauhan	Member	Non-Executive Independent Director
Mr. Pritam Narang	Member	Executive Non Independent Director

All the members of the Audit Committee have accounting, economic and financial management expertise. The composition of the Audit Committee meets with requirements of Section 177 of the Companies Act, 2013 and Listing Regulations.



The Audit Committee assists the Board in its responsibility to oversee the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal & regulatory requirements. The Committee's purpose is to oversee the accounting and financial reporting statements, the appointment, independence, performance and remuneration of the Statutory Auditors, including the Cost Auditors and the performance of Internal Auditors of the Company.

### **Terms of Reference**

The Charter of the Committee is as prescribed under Section 177 of the Companies Act, 2013 read with Listing Regulations:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditors and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Directors' Responsibility Statement forming part of Board's Report in terms of Clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
  - b. Changes, if any, in accounting policies and practices and reasons for the same.
  - c. Major accounting entries involving estimates based on the exercise of judgment by management.
  - d. Significant adjustments made in the financial statements arising out of audit findings.
  - e. Compliance with listing and other legal requirements relating to financial statements.
  - f. Disclosure of any related party transactions.
  - g. Modified opinion(s) in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Reviewing and monitoring the auditors independence & performance, and effectiveness of audit process.
8. Approval or any subsequent modification of transactions of the Company with related parties.
9. Scrutiny of inter-corporate loans and investments.
10. Valuation of undertakings or assets of the Company, wherever it is necessary.
11. Evaluation of internal financial controls and risk management systems.
12. Reviewing, with the management, performance of statutory & internal auditors, adequacy of the internal control systems.
13. Reviewing the adequacy of internal audit function, if any, including the structure of internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
14. Discussion with internal auditors of any significant findings and follow up thereon.
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
17. Investigating the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
18. To review the functioning of the Whistle Blower mechanism.
19. Approving the appointment of Chief Financial Officer (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
20. Reviewing any changes in the accounting policies or practices as compared to the last completed financial year and commenting on any deviation from the Accounting Standards.





21. Carrying out any other function as may be referred to the committee by the Company's Board of Directors and/ or other Committees of Directors of the Company from time to time.
22. Recommending to the Board, the terms of appointment, re-appointment and, if required, the replacement or removal of the Cost Auditors.
23. The Committee has systems and procedures in place to ensure that the Audit Committee immediately reviews:
  - a. Management discussion and analysis of financial condition and results of operations;
  - b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
  - c. Management letters/ letters of internal control weaknesses issued by the statutory auditors;
  - d. Internal audit reports relating to internal control weaknesses, if any;
  - e. Appointment, removal and terms of remuneration of the Chief Internal Auditor;
  - f. The Financial Statements, in particular, the investments made by the unlisted subsidiaries of the Company, in view of the requirements under SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015;
  - g. Details of material individual transactions with related parties, which are not in the normal course of business; and
  - h. Details of material individual transactions with related parties or others, if any, which are not on arm's length basis, along with management's justification for the same.

The Audit Committee is endowed with the following powers:

- a) To investigate any activity within its terms of reference.
- b) To seek information from any employee.
- c) To obtain outside legal or other professional advice.
- d) To secure attendance of outsiders with relevant expertise, if it considers necessary.
- e) To invite such of the executives, as it considers appropriate (and particularly the head of the finance) to be present at the meetings of the committee.

#### **(ii) Meeting & Attendance**

During the financial year 2018-19, Audit Committee met five (5) times on May 16, 2018, August 9, 2018, October 23, 2018, January, 21, 2019, March 27, 2019.

The details of members' attendance at the Audit Committee Meetings are as follows:

Name of Member	Number of meeting	
	Held	Attended
Mr. Sumit Raj (Chairman)	4	4
Mr. Rochak Puri	1	1
Ms. Preeti Chauhan	5	5
Mr. Pritam Narang	5	5

Mr. Vicky Chauhan, Company Secretary is acting as Secretary to the Audit Committee.

#### **IV. Nomination & Remuneration Committee**

##### **Constitution**

During the year ended March 31, 2019 the Nomination and Remuneration Committee reconstituted due to the resignation of Mr. Rochak Puri.

The Nomination and Remuneration Committee comprises of following Directors:

1. Mr. Sumit Raj – Independent Director – Chairman
2. Ms. Preeti Chauhan – Independent Director
3. Mr. Pritam Narang – Non Independent Director

##### **Terms of Reference**

The Charter of the Committee is as prescribed under Section 178 of the Companies Act, 2013 read with Listing Regulations:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees;



2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The Company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

The Nomination and Remuneration Committee has been constituted to recommend/ review remuneration of the Directors, Key Managerial Personnel and other employees, based on their performance and defined assessment criteria.

The remuneration policy is placed on the Company's website [www.escortsfinance.com](http://www.escortsfinance.com).

During the period under review there are no pecuniary relationships or transactions of the Non-Executive Directors viz-a-viz the Company.

### Meetings and Attendance

During the financial year 2018-19, one (1) meeting of the Nomination and Remuneration Committee was held on May 16, 2018, which was attended by all the members.

### Remuneration of Directors

The Company has not paid any remuneration to any of its Directors, except sitting fees for attending Board and Audit Committee Meetings for which Rs. 2,000 per meeting had been paid.

The details of sitting fees paid to Directors during the period April 1, 2018 to March 31, 2019 are as under:

S.No.	Name of Member	Relationship with other Directors	Sitting Fees (in Rs.)
1.	Mr. Pritam Narang	*	20,000
2.	Mr. Sumit Raj	*	18,000
3.	Ms. Preeti Chauhan	*	20,000
4.	Mr. Rochak Puri	*	4,000
<b>Total</b>			<b>62,000</b>

\* None of the Directors are related to any other Director.

### (i) Shareholding of Non-Executive Directors of Company

As on March 31, 2019, none of the Directors of the Company held any share in the Company.

## V. Stakeholders' Relationship Committee

### (i) Constitution

During the year ended March 31, 2019 the Stakeholder Relationship Committee reconstituted due to the resignation of Mr. Rochak Puri. As on March 31, 2019, the Committee comprises of the following Directors:

Name of Member	Designation	Category
Mr. Sumit Raj	Chairman	Non-Executive Independent Director
Mr. Pritam Narang	Member	Executive Non Independent Director
Ms. Preeti Chauhan	Member	Non-Executive Independent Director

### (ii) Terms of Reference

The Committee look to redress shareholders and investors complaints relating to share transfer, Demat, Remat, non-receipt of declared dividends or Annual Reports etc.

The Committee additionally oversees the performance of in-house Share Registry and recommends measures for overall improvement in the quality and promptness in investors services.

### (iii) Meetings and Attendance

During the financial year 2018-19, 4 (Four) meetings of the Stakeholders' Relationship Committee were held on May 16, 2018, August 9, 2018, October 23, 2018 and January 21, 2019.



The details of members' attendance at the Shareholders' Grievance Committee Meetings are as follows:

Name of Member	Number of meeting	
	Held	Attended
Mr. Sumit Raj	3	3
Mr. Pritam Narang	4	4
Ms. Preeti Chauhan	4	4
Mr. Rochak Puri	1	1

#### (iv) Compliance Officer

Mr. Vicky Chauhan, Company Secretary is acting as the Compliance Officer of the Company as per the requirements of the provisions of Listing Regulations.

#### (v) Whole-time Director

As on March 31, 2019, Mr. Pritam Narang is the Whole-time Director of the Company as per Section 203 of the Companies Act, 2013.

#### (vi) Complaints received/ resolved

During the year under review, One (1) complaint was received from investors, which were replied/ resolved to the satisfaction of the investors. No complaint(s) are pending for redressal for the year 2018-19 as on the date of this report.

#### (vii) Pending Share Transfer

No request for transfer and/ or dematerialization was pending for redressal as on March 31, 2019.

### VI. Functional Committee

The Board is authorised to constitute one or more functional committees delegating thereto powers and duties with respect to specific purposes. Meeting of such committees are held, as and when the need arises. Time schedule for holding such functional committee meetings are finalised in consultation with the Committee members.

#### Procedure of Committee Meetings

The Company's guidelines relating to Board Meetings are applicable to Committee Meetings, as far as may be practicable. Each Committee has the authority to engage outside experts, advisors and counsels, to the extent it considers appropriate, to assist in its work. Minutes of the proceedings of the Committee Meetings are placed before the Board Meeting for perusal and noting.

### VII. GENERAL BODY MEETINGS

Location, day and time of Annual General Meetings held during the last three years and special resolution passed thereat are given below:

Financial Year	Venue	Date	Time	No. of Special Resolution passed at AGM
2017-18	Hotel KC Residency, SCO-377-380, Sector-35B, Chandigarh-160035	Friday, September 28, 2018	3:00 P.M.	None
2016-17	Hotel KC Residency, SCO-377-380, Sector-35B, Chandigarh-160035	Tuesday, September 26, 2017	3:00 P.M.	Two
2015-16	Hotel KC Residency, SCO-377-380, Sector-35B, Chandigarh-160035	Friday, September 30, 2016	3:00 P.M.	None

#### Special Resolution passed through Postal Ballot

During the financial year 2018-19, the Company has not passed any Special Resolution through Postal Ballot.

None of the business proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through Postal Ballot.

### VIII. DISCLOSURES

- a. There are no materially significant related party transactions of the Company which have potential conflict with the interests of the Company at large.

All the related party transactions during the financial year ended on March 31, 2019 were as per the "Policy on Materiality of Related Party Transactions and dealing with Related Parties".

- b. Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years: NIL



The Company has complied with the statutory rules and regulations of SEBI and Stock Exchanges. However, the Company has not been able to comply with the Prudential Norms Direction relating to maintenance of liquid assets and Capital Adequacy Ratio, provision for doubtful trade receivable and advances as required by the Reserve Bank of India's Rules and Regulations.

- c. Whistle Blower policy and affirmation that no personnel has been denied access to the Audit Committee:  
The Ethics Counsellor or the Chairman of the Audit Committee has not received any complaint/ report during the period under review and no employee was denied access to the Audit Committee.
- d. Details of the compliance with mandatory requirement of and adoption of the non-mandatory requirement of this clause.  
The details of mandatory requirements along with status of adoption of the non-mandatory requirement are mentioned in this Report.
- e. Certification from Company Secretary in Practice  
A certificate has been received from M/s. Jayant Gupta & Associates, Practicing Company Secretaries, that none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by SEBI/ Ministry of Corporate Affairs or any such statutory authority. The said certificate is available on the website of the Company at [www.escortsfinance.com](http://www.escortsfinance.com).
- f. Policy for determining 'Material Subsidiaries'  
The Policy for determining Material Subsidiaries is available on the website of the Company [www.escortsfinance.com](http://www.escortsfinance.com) under Investor Information Section.
- g. Policy on dealing with Related Party Transactions  
The Policy on dealing with Related Party Transactions is available on the website of the Company [www.escortsfinance.com](http://www.escortsfinance.com) under Investor Information Section.
- h. Disclosure with respect to Demat Suspense Account/ Unclaimed Suspense Account  
There were no equity shares which need to be transferred to IEPF Account.
- i. Disclosure regarding skills/ expertise and competence of the Board of Directors is available on website of the Company.

## **IX. Means of Communication**

Key Financial reporting dates during the financial year 2018-19.

The Company has published its Financial results in the following national newspapers:

- For Quarter ended 30.06.18: Financial Express (English), Jansatta (Hindi).
- For Quarter ended 30.09.18: Financial Express (English), Jansatta (Hindi).
- For Quarter ended 31.12.18: Financial Express (English), Jansatta (Hindi).
- For Quarter/ Year ended 31.03.19: Financial Express (English), Jansatta (Hindi).

The Quarterly Results were displayed on Company's website viz. **[www.escortsfinance.com](http://www.escortsfinance.com)** in accordance with the requirement of SEBI Listing Regulations.

## **X. General Shareholder Information**

### **(i) Company Registration Details**

The Company is registered in the Union Territory of Chandigarh, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L65910CH1987PLC033652.

### **(ii) Annual General Meeting**

Day & Date	:	Monday, September 30, 2019
Time	:	3:00 P.M.
Venue	:	Hotel KC Residency, SCO 377-380, Sector – 35B, Chandigarh – 160 035

**(iii) Financial year** : April 1 to March 31

### **(iv) Appointment/ Reappointment of Directors**

The brief resume and other details relating to directors appointment/ re-appointment, if any, as required to be disclosed as per applicable provisions are provided in the directors report.

**(v) Financial Calendar 2019-20 (tentative)**

Meetings of Board/ Committee thereof to take on record:

Financial results for quarter ended June 30, 2019	:	By August 14, 2019
Financial results for quarter ended September 30, 2019	:	By November 14, 2019
Financial results for quarter ended December 31, 2019	:	By February 14, 2020
Financial results for quarter/ year ended March 31, 2020	:	By May 30, 2020

**(vi) Annual General Meeting for the Financial Year ending March, 2019:** By September 30, 2020.

**(vii) Book Closure**

The members register will be closed from September 23, 2019 to September 30, 2019 (both days inclusive) for the purpose of Annual General Meeting.

**(viii) Dividend**

The Board does not recommend any dividend for the year.

**(ix) Cut-off Date for e-voting**

September 23, 2019 has been fixed as the cut-off date to record entitlement of the shareholder to cast their vote electronically.

**(x) Listing:**

The Securities of the Company are listed on the following Stock Exchange:

Stock Exchange	Stock Code
BSE Limited	511716
Demat ISIN no. in NSDL & CDSL	INE359A01012

The Company has paid the Annual Listing Fees till date.

**(xi) Registrar & Share Transfer Agent**

In terms of SEBI circular dated December 27, 2002, the share transfer work in both physical as well as electronic modes has been carried on by Alankit Assignments Ltd., Category I Registrar and Transfer Agents having office at Alankit House, 3E/7, Jhandewalan Extension, New Delhi – 110 055.

**(xii) Share Transfer System**

The Company has appointed Alankit Assignments Ltd. as Share Transfer Agents and all work relating to share transfers is executed by them. The authority relating to share transfer has been delegated to Share Transfer Committee of the Board of Directors for the approval of Transfer, Transmission, Remat, Split & Consolidation of share certificates etc., which periodically meets to approve the requests of the Investors.

Share Transfer Committee ensures the approval of share transfer/ transmission/ splitting and consolidation of valid request within a period of 15 days from their receipt.

**(xiii) Monthly Stock Market Data**

Monthly high and low prices (based on daily closing prices) of Company's Shares at BSE for the financial year ended on March 31, 2019 were as follows:

Month	High		Low	
	BSE Sensex	Share price (in Rs.)	BSE Sensex	Share price (in Rs.)
April 2018	35213.3	7.40	32972.56	4.86
May 2018	35993.53	7.18	34302.89	5.87
June 2018	35877.41	5.76	34784.68	3.64
July 2018	37644.59	4.79	35106.57	3.81
August 2018	38989.65	4.97	37128.99	3.95
September 2018	38934.35	4.52	35985.63	3.56
October 2018	36616.64	3.90	33291.58	3.03
November 2018	36389.22	4.98	34303.38	3.10
December 2018	36554.99	5.19	34426.29	3.31
January 2019	36701.03	4.25	35375.51	3.21
February 2019	37172.18	3.79	35287.16	3.01
March 2019	38748.54	3.52	35926.94	2.90

**(xiv) Distribution of Shareholding as on March 31, 2019: -**

No. of shares	No. of shareholders	No. of shares held	% of Total
Upto 100	19087	1709617	4.247
101 to 500	3593	1099325	2.731
501 to 1000	1008	890639	2.213
1001 to 5000	952	2330902	5.791
5001 to 10000	171	1374300	3.414
10001 to 20000	56	782456	1.944
20001 to 30000	15	365804	0.909
30001 to 40000	10	355305	0.883
40001 to 50000	5	230490	0.573
50001 to 100000	12	903076	2.244
100001 to 500000	1	110000	0.273
500001 and above	4	30098086	74.778
<b>TOTAL</b>	<b>24914</b>	<b>40250000</b>	<b>100.00</b>

**(xv) Shareholding Pattern as on March 31, 2019:**

Category	No. of Share-holders	No. of Shares held	% to the Capital
<b>Promoter &amp; Promoter Group:</b>			
a) Indian	5	28023178	69.62
b) Foreign	NIL	NIL	NIL
<b>Public Shareholding Institutions:</b>			
a) Mutual Funds & UTI	NIL	NIL	NIL
b) Banks/ FIs	2	5000	0.01
c) FIIs/ VCs etc.	NIL	NIL	NIL
<b>Non Institutions:</b>			
a) Private Bodies Corporate	143	2582552	6.42
b) Indian Public	24523	9168752	22.78
c) NRIs/ OCBs etc.	34	124742	0.31
d) Others	207	345776	0.85
<b>TOTAL</b>	<b>24914</b>	<b>40250000</b>	<b>100.00</b>

**(xvi) Dematerialisation**

As on March 31, 2019, dematerialized shares accounted for 95.79% (95.67% up to March 31, 2018) of the total equity shares.

**(xvii) Outstanding GDRs/ ADRs/ Warrants etc.**

The Company has not issued any GDRs/ ADRs/ Warrants.

**(xviii) Plant Location**

There is no manufacturing location for the Company.

**(xix) Address for correspondence:**

Company Secretary  
Escorts Finance Limited  
Escorts Corporate Centre  
15/5, Mathura Road  
Faridabad – 121 003  
Tel: (0129) 2564116  
Fax: (0129) 2250060



**(xx) Registrar and Transfer Agents:**

Alankit Assignments Limited  
Alankit Heights, 3E/7  
Jhandewalan Extension  
New Delhi – 110055  
Tel.- +91-11-42541953,  
Fax: +91-11-23552001  
Email-id:- rta@alankit.com,

**For and on behalf of the Board of Directors**

**Place: Faridabad**  
**Dated: July 26, 2019**

Sd/-  
**Rajeev Khanna**  
**Director**  
**DIN: 08471497**

Sd/-  
**Sumit Raj**  
**Director**  
**DIN:07171298**

**CEO /CFO Certification**

The Whole time Director and Chief Financial Officer of the Company certified to the Board on financial reporting and internal controls in terms of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pertaining to CEO and CFO certification for the year ended on March 31, 2019.

To,  
The Board of Directors  
Escorts Finance Limited

Dear Sir,

We, Pritam Narang, Whole-Time Director and Donald Fernandez, Chief Financial Officer certify to the Board of Directors that:

- a. We have reviewed financial statements and the cash flow statement of Escorts Finance Limited for the financial year ended March 31, 2019 and 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.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the financial year which are fraudulent, illegal or violate the Company's Code of Conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems 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.
- d. We have indicated to the Auditors and the Audit Committee:
  - i. significant changes in internal control over financial reporting during the financial year;
  - ii. significant changes in accounting policies during the financial year and that the same have been disclosed in the notes to the financial statements; and
  - iii. instances of significant fraud of which they 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: Faridabad**  
**Dated: May 4, 2019**

Sd/-  
**Donald Fernandez**  
**Chief Financial Officer**

Sd/-  
**Pritam Narang**  
**Whole-time Director**



## **Independent Auditors' Certificate regarding compliance with the conditions of Corporate Governance**

To,  
The Members

### **Escorts Finance Limited**

- (1) We have examined the compliance of conditions of Corporate Governance by the Escorts Finance Limited ("the Company"), for the year ended on March 31, 2019, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

### **Management Responsibility**

- (2) The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the designing, implementing and maintaining operating effectiveness of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance as stipulated in the Listing Regulations.

### **Auditor's Responsibility**

- (3) Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion as to whether the Company has complied with the condition of the Corporate Governance as stated in paragraph 1 above. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
- (4) We have examined the relevant records and documents of the Company in accordance with the applicable Generally Accepted Auditing Standards in India, the Guidance Note on Certification of Corporate Governance issued by the institute of Chartered Accountants of India ('ICAI'), and Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI with the ethical requirements of the Code of Ethics issued by the ICAI.
- (5) We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### **Opinion**

- (6) Based on our procedures performed by us and to the best of our information and according to the explanations provided to us, in our opinion, the Company has complied, in all material respects, with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Listing Regulations during the year ended March 31, 2019.

We state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

### **Restriction on use**

- (7) This certificate is issued solely for the purpose complying with the aforesaid Listing Regulations and may not be suitable for any other purpose.

**For Kapish Jain & Associates,**  
Chartered Accountants,  
Firm Registration No. 022743N

Sd/-  
**CA Kapish Jain**  
**Partner**  
**M.No. 514162**

**Place: Faridabad**  
**Dated: July 26, 2019**





**Details pertaining to Remuneration as required under Section 197(12) of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

- (i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2018-19, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2018-19, and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under

Sl. No.	Name of Director/ KMP and Designation	Remuneration of Director/ KMP for the financial year 2018-19 (Rs. In Lacs)	% Increase in Remuneration in the financial year 2018-19	Ratio of remuneration of each Director/ to median remuneration of employees
1.	Mr. Pritam Narang, Executive Director	0.20	0	0.06
2.	Mr. Sumit Raj, Non-Executive Director	0.18	0	0.05
3.	Ms. Preeti Chauhan, Non-Executive Director	0.20	0	0.06
4.	Mr. Rochak Puri, Non-Executive Director*	0.04	0	0.01
5.	Mr. Donald Fernandez, Chief Financial Officer	7.48	10%	Not Applicable
6.	Mr. Vicky Chauhan, Company Secretary	0	0	

\*Resigned w.e.f May 16, 2018.

- (ii) In the financial year, there was an increase of 8.00% in the median remuneration of employees.
- (iii) There were 3 permanent employees on the rolls of the Company as on March 31, 2019.
- (iv) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2018-19 was 9.45% whereas no managerial remuneration was paid during the financial year.
- (v) The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel, Senior Management and other Employees.
- (vi) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year – Not Applicable; and
- (vii) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

**For and on behalf of the Board of Directors**

Sd/-  
**Rajeev Khanna**  
**Director**  
**DIN: 08471497**

Sd/-  
**Sumit Raj**  
**Director**  
**DIN: 07171298**

**Place: Faridabadi**  
**Dated: July 26, 2019**



**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**

as on the financial year ended on March 31, 2019

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

**I. REGISTRATION & OTHER DETAILS:**

I.	CIN	L65910CH1987PLC033652
II.	Registration Date	February 9, 1987
III.	Name of the Company	Escorts Finance Limited
IV.	Category/ Sub-Category of the Company	Public Company/ Limited by shares
V.	Address of the Registered office and contact details	SCO - 64-65, Third Floor, Sector - 17A, Chandigarh-160 017
VI.	Whether Listed Company	Yes
VII.	Name, Address and Contact details of Registrar and Transfer Agent	Alankit Assignments Limited Alankit House, 3E/7, Jhandewalan Extn. New Delhi – 110 055 Tel: +91-11-42541953 Fax: +91-11-23552001 E-mail id: rta@alankit.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

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

Sl.No.	Name and Description of main products/services	NIC Code of the Product/ service	% to total turnover of the company
1	Other Financial Services	6499	NIL

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES: NIL\***

\* Escorts Securities Limited ceased to be the Associate of the company w.e.f. 11 May, 2018



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

##### (i) Category-wise Share Holding

Category of Shareholders		No. of Shares held at the beginning of the year (as on April 1, 2018)				No. of Shares held at the end of the year (as on March 31, 2019)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A.</b>	<b>Promoters</b>									
<b>1.</b>	<b>Indian</b>									
a)	Individual/ HUF	81000	0	81000	0.201	81000	0	81000	0.201	0
b)	Central Government/State Governments(s)	0	0	0	0	0	0	0	0	0
c)	Bodies Corp.	4444700	0	4444700	11.043	4444700	0	4444700	11.043	0
d)	Banks / FI	0	0	0	0	0	0	0	0	0
e)	Any other: Trust	23497478	0	23497478	58.379	23497478	0	23497478	58.379	0
<b>Sub Total (A) (1)</b>		<b>28023178</b>	<b>0</b>	<b>28023178</b>	<b>69.623</b>	<b>28023178</b>	<b>0</b>	<b>28023178</b>	<b>69.623</b>	<b>0</b>
<b>2.</b>	<b>Foreign</b>									
a)	Individuals (Non- Resident Individuals/ Foreign Individuals)	0	0	0	0	0	0	0	0	0
b)	Government	0	0	0	0	0	0	0	0	0
c)	Institutions	0	0	0	0	0	0	0	0	0
d)	Foreign Portfolio Investor	0	0	0	0	0	0	0	0	0
<b>Sub Total (A)(2)</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Shareholding of Promoter (A) = (A)(1)+(A)(2)</b>		<b>28023178</b>	<b>0</b>	<b>28023178</b>	<b>69.623</b>	<b>28023178</b>	<b>0</b>	<b>28023178</b>	<b>69.623</b>	<b>0</b>
<b>B.</b>	<b>Public Shareholding</b>									
<b>1.</b>	<b>Institutions</b>									
a)	Mutual Funds	0	0	0	0	0	0	0	0	0
b)	Venture Capital Funds	0	0	0	0	0	0	0	0	0
c)	Alternate Investment Funds	0	0	0	0	0	0	0	0	0
d)	Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0
e)	Foreign Portfolio Investors	0	0	0	0	0	0	0	0	0
f)	Financial Institutions/ Banks	6300	5000	11300	0.028	0	5000	5000	0.012	-0.016
g)	Insurance Companies	0	0	0	0	0	0	0	0	0
h)	Provident Funds/ Pension Funds	0	0	0	0	0	0	0	0	0
i)	Central Government/ State Government(s)/ President of India	0	0	0	0	0	0	0	0	0
j)	Others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub Total (B)(1)</b>		<b>6300</b>	<b>5000</b>	<b>11300</b>	<b>0.028</b>	<b>0</b>	<b>5000</b>	<b>5000</b>	<b>0.012</b>	<b>-0.016</b>
<b>2.</b>	<b>Non Institutions</b>									
a)	Bodies corporates									
i.	Indian	2625204	14700	2639904	6.559	2569352	13200	2582552	6.416	-0.143
ii.	Overseas	0	0	0	0	0	0	0	0	0
b)	Individuals									
i.	Individual shareholders holding nominal share capital upto Rs. 2 lakh	5828387	1722367	7550754	18.760	5874687	1675782	7550469	18.759	-0.001
ii.	Individual shareholders holding nominal share capital in excess of Rs 2 lakh	1502408	0	1502408	3.733	1618283	0	1618283	4.021	0.288
c)	NBFC registered with RBI	400	0	400	0.001	0	0	0	0	-0.001
d)	Others									
(i)	NRI	152356	0	152356	0.379	124742	0	124742	0.310	-0.069
(ii)	Clearing Members	16500	0	16500	0.041	1656	0	1656	0.004	-0.037
(iii)	HUF	353200	0	353200	0.878	344020	0	344020	0.855	-0.023
(iv)	Trust	0	0	0	0	100	0	100	0	0
<b>Sub-total (B)(2):-</b>		<b>10478455</b>	<b>1737067</b>	<b>12215522</b>	<b>30.349</b>	<b>10532840</b>	<b>1688982</b>	<b>12221822</b>	<b>30.364</b>	<b>0.015</b>
<b>Total Public Shareholding (B)=(B) (1)+ (B)(2)</b>		<b>10484755</b>	<b>1742067</b>	<b>12226822</b>	<b>30.377</b>	<b>10532840</b>	<b>1693982</b>	<b>12226822</b>	<b>30.377</b>	<b>0</b>
C.	Shares Held by Custodian for GDRS & ADRS	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>		<b>38507933</b>	<b>1742067</b>	<b>40250000</b>	<b>100.00</b>	<b>38556018</b>	<b>1693982</b>	<b>40250000</b>	<b>100.00</b>	<b>0</b>



## (ii) Shareholding of Promoters

Sl. No.	Shareholders Name	Shareholding at the Beginning of the Financial Year (April 1, 2018)			Shareholding at the End of the Financial Year (March 31, 2019)			% Change in Shareholding During the Year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged Encumbered to Total Shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged Encumbered to Total Shares	
1	Nitasha Nanda	20900	0.052	0	50900	0.127	0	0.075
2	Rajan Nanda with Ritu Nanda	30000	0.075	0	0	0	0	-0.075
3	Rajan Nanda with Nitasha Nanda	30000	0.075	0	0	0	0	-0.075
4	Ritu Nanda	100	0.000	0	30100	0.075	0	0.075
5	Escorts Benefit and Welfare Trust	23497478	58.379	0	23497478	58.379	0	0.000
6	Escorts Limited	3819700	9.490	0	3819700	9.49	0	0.000
7	Escorts Securities Limited	625000	1.553	0	625000	1.553	0	0.000
	<b>Total</b>	<b>28023178</b>	<b>69.623</b>	<b>0</b>	<b>28023178</b>	<b>69.623</b>	<b>0</b>	<b>0</b>

## (iii) Change in Promoters' Shareholding

Sl. No.	Name	Shareholding		Date	Increase / Decrease in shareholding (No.)	Reason	Cumulative Shareholding during the year (01-04-2018 to 31-03-2019)	
		No. of Shares at the beginning (01-04-2018) end of the year (31-03-2019)	% of total shares of the Company				No. of shares	% to total shares of the Company
1	Nitasha Nanda	20900	0.052	01-04-18	-	-	20900	0.052
				07-09-18	30000	Transmitted	50900	0.127
		50900	0.127	31-03-19	-	-	50900	0.127
2	Ritu Nanda	100	0.000	01-04-18			100	0.000
				07-09-18	30000	Transmitted	30000	0.075
		30100	0.075	31-03-19			30100	0.075
3	Rajan Nanda with Ritu Nanda	30000	0.075	01-04-18			30000	0.075
				07-09-18	30000	Transmitted	0	0
		0	0	31-03-19			0	0
4	Rajan Nanda with Nitasha Nanda	30000	0.075	01-04-18			30000	0.075
				07-09-18	30000	Transmitted	0	0
		0	0	31-03-19			0	0



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

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding (No.)	Reason	Cumulative Shareholding during the year (01-04-2018 to 31-03-2019)	
		No. of shares at the beginning (01-04-2018)/ end of the year (31-03-2019)	% of total shares of the Company				No. of shares	% to total shares of the Company
1	All Grow Finance And Investment Pvt. LTD	234440	0.58	01-04-2018			234440	0.58
				21-09-2018	1896468	Purchase	2130908	5.29
				14-12-2018	25000	Purchase	2155908	5.35
		2155908	5.35	31-03-2019			2155908	5.35
2	Share India Securities Limited	98960	0.25	01-04-2018			98960	0.25
		98960	0.25	31-03-2019			98960	0.25
3	Ramesh Chand	90484	0.22	01-04-2018			90484	0.22
				27-04-2018	2500	Purchase	92984	0.23
		92984	0.23	31-03-2019			92984	0.23
4	Korlepara Padmini	268	0.00	01-04-2018			268	0.00
				06-04-2018	268	Sale	0	-
				08-06-2018	8900	Purchase	8900	0.02
				15-06-2018	2100	Purchase	11000	0.03
				22-06-2018	190	Sale	10810	0.03
				29-06-2018	1179	Purchase	11989	0.03
				06-07-2018	5611	Purchase	17600	0.04
				20-07-2018	4318	Sale	13282	0.03
				03-08-2018	1005	Sale	12277	0.03
				10-08-2018	2723	Purchase	15000	0.04
				24-08-2018	2000	Purchase	17000	0.04
				07-09-2018	1800	Purchase	18800	0.05
				14-09-2018	14200	Purchase	33000	0.08
				21-09-2018	5100	Purchase	38100	0.09
				05-10-2018	1900	Purchase	40000	0.10
				12-10-2018	10000	Purchase	50000	0.12
				23-11-2018	10000	Sale	40000	0.10
				30-11-2018	20000	Sale	20000	0.05
				07-12-2018	8310	Sale	11690	0.03
				21-12-2018	15310	Purchase	27000	0.07
				28-12-2018	9000	Purchase	36000	0.09
				31-12-2018	24000	Purchase	60000	0.15
				18-01-2019	20000	Purchase	80000	0.20
		25-01-2019	10000	Purchase	90000	0.22		
		05-02-2019	10000	Purchase	100000	0.25		
		29-03-2019	10000	Purchase	110000	0.27		
		31-03-2019	110000			110000	0.27	



Sl. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding (No.)	Reason	Cumulative Shareholding during the year (01-04-2018 to 31-03-2019)	
		No. of shares at the beginning (01-04-2018)/ end of the year (31-03-2019)	% of total shares of the Company				No. of shares	% to total shares of the Company
5	Amit Agarwal	85000	0.21	01-04-2018			85000	0.21
		85000	0.21	31-03-2019			85000	0.21
6	Mehjabin Rashidahmed Bhurawala	0	-	01-04-2018			0	-
				18-01-2019	72800	Purchase	72800	0.18
		72800	0.18	31-03-2019			72800	0.18
7	Bhavisha Tulsibhai Vora	90000	0.22	01-04-2018			90000	0.22
		90000	0.22	31-03-2019			90000	0.22
8	Mamta Sancheti	70000	0.17	01-04-2018			70000	0.17
		70000	0.17	31-03-2019			70000	0.17
9	Ajay Kumar Sharma	0	-	01-04-2018			0	-
				06-04-2018	7500	Purchase	7500	0.02
				11-05-2018	15941	Purchase	23441	0.06
				01-06-2018	40773	Purchase	64214	0.16
				08-06-2018	2917	Purchase	67131	0.17
				15-06-2018	20622	Purchase	87753	0.22
				03-08-2018	1001	Purchase	88754	0.22
				07-12-2018	3227	Sale	85527	0.21
				14-12-2018	4336	Sale	81191	0.20
				21-12-2018	3689	Sale	77502	0.19
				28-12-2018	6020	Sale	71482	0.18
				04-01-2019	500	Sale	70982	0.18
				18-01-2019	2	Sale	70980	0.18
		31-03-2019	70980		70980	0.18		
10	Dipti K Somaiya	96169	0.24	01-04-2018			96169	0.24
				20-04-2018	168	Sale	96001	0.24
				25-01-2019	5438	Sale	90563	0.23
		90563	0.23	31-03-2019			90563	0.23

**(v) Shareholding of Directors and Key Managerial Personnel: NIL**

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding (No.)	Reason	Cumulative Shareholding during the yer (01-04-2018 to 31-03-2019)	
		No. of Shares at the beginning (01-04-2018) end of the year (31-03-2019)	% of total shares of the Company				No. of shares	% to total shares of the Company
----- Not Applicable -----								



## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/ accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits (Rs. in Lacs)	Total Indebtedness (Rs. in Lacs)
<b>Indebtedness at the beginning of the financial year</b>				
(i) Principal Amount	-	-	1088.33	1088.33
(ii) Interest due but not paid	-	-	6.80	6.80
(iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	1095.13	1095.13
<b>Change in Indebtedness during the financial year</b>				
• Addition	-	-	0	0
• Reduction	-	-	10.13	10.13
<b>Net Change</b>	-	-	-10.13	-10.13
<b>Indebtedness at the end of the financial year</b>				
(i) Principal Amount	-	-	1,078.21	1,078.21
(ii) Interest due but not paid	-	-	6.79	6.79
(iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	1085.00	1085.00

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Amount in INR)

S. No.	Particulars of Remuneration	Mr. Pritam Narang	Total Amount (In Rs.)
1	Gross Salary		
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-
(b)	Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	-
(c)	Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission		
	-as % of profit	-	-
	-others	-	-
5	Others	20,000	20,000
	<b>Total (A)</b>	20,000	20,000
	<b>Overall Ceiling as per the Act</b>	<b>The Company incurred a profit of Rs. 6.80 Lacs during the year ended March 31, 2019.</b>	



## B. Remuneration to Other Directors

S.No.	Particulars of Remuneration	Name of Directors			Total Amount (In Rs.)
		Mr. Rochak Puri*	Ms. Preeti Chauhan	Mr. Sumit Raj	
<b>1</b>	<b>Independent Directors</b>				
	• Fee for attending Board/ Committee Meetings	4,000	20,000	18,000	42,000
	• Commission	-	-	-	-
	• Others	-	-	-	-
	<b>Total (1)</b>	4,000	20,000	18,000	42,000
<b>2</b>	<b>Other Non-Executive Directors</b>				
	• Fee for attending Board/ Committee Meetings	-	-	-	-
	• Commission	-	-	-	-
	• Others	-	-	-	-
	<b>Total (2)</b>	-	-	-	-
	<b>Total (B) = (1+2)</b>	4,000	20,000	18,000	42,000
	<b>Total Managerial Remuneration</b>				42,000
	<b>Overall Ceiling as per the Act</b>	<b>The Company incurred a profit of Rs. 6.80 Lacs during the year ended March 31, 2019.</b>			

\* Resigned w.e.f. May 16, 2018

## C. Remuneration to Key Managerial Personnel other than MD/ Manager/ WTD

S.No.	Particulars of Remuneration	Mr. Donald Fernandez	Mr. Vicky Chauhan	Total Amount (In Rs.)
<b>1</b>	<b>Independent Directors</b>			
	a. Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	7,48,000	-	7,48,000
	b. Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-
	c. Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	-as % of profit	-	-	-
	-others	-	-	-
5	Others	-	-	-
	<b>Total</b>	<b>7,48,000</b>	<b>-</b>	<b>7,48,000</b>



**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For and on behalf of the Board of Directors

Sd/-  
**Rajeev Khanna**  
**Director**  
**DIN: 08471497**

Sd/-  
**Sumit Raj**  
**Director**  
**DIN: 07171298**

**Place: Faridabad**  
**Dated: July 26, 2019**

**Annexure-E****Form No. AOC-2**

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis
  - (a) Name(s) of the related party and nature of relationship: Nil
  - (b) Nature of contracts/arrangements/transactions: Nil
  - (c) Duration of the contracts / arrangements/transactions: Nil
  - (d) Salient terms of the contracts or arrangements or transactions including the value, if any: Nil
  - (e) Justification for entering into such contracts or arrangements or transactions: Nil
  - (f) Date(s) of approval by the Board: Nil
  - (g) Amount paid as advances, if any: Nil
  - (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: Nil
2. Details of material contracts or arrangement or transactions at arm's length basis
  - (a) Name(s) of the related party and nature of relationship: Nil
  - (b) Nature of contracts/arrangements/transactions: Nil
  - (c) Duration of the contracts / arrangements/transactions: Nil
  - (d) Salient terms of the contracts or arrangements or transactions including the value, if any: Nil
  - (e) Date(s) of approval by the Board, if any: Nil
  - (f) Amount paid as advances, if any: Nil

For and on behalf of the Board of Directors

Sd/-  
**Rajeev Khanna**  
**Director**  
**DIN: 08471497**

Sd/-  
**Sumit Raj**  
**Director**  
**DIN: 07171298**

**Place: Faridabad**  
**Dated: July 26, 2019**



**FORM NO. MR-3**  
**Secretarial Audit Report**  
**(For the Financial Year ended March 31, 2019)**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

**The Members**

**ESCORTS FINANCE LIMITED**

**SCO - 64-65, Third Floor, Sector - 17A,**

**Chandigarh-160017 HARYANA**

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Escorts Finance Limited (hereinafter called "the Company"/"EFL"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by EFL for the Financial Year ended on March 31, 2019 according to the provisions of:
  - I. The Companies Act, 2013 ('the Act') and the Rules made thereunder;
  - II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
  - III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
  - V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
    - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009/2018 (Not Applicable to the Company during the Audit period);
    - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not Applicable to the Company during the Audit period);
    - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not Applicable to the Company during the Audit period);
    - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (Not Applicable to the Company during the Audit period);
    - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not Applicable to the Company during the Audit period);
    - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not Applicable to the Company during the Audit period); and
    - (i) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015;

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

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India in regard to the Board and General Meeting;
  - (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange.
2. During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the observations that :
    - (i) *The composition of the Nomination and Remuneration Committee is not as per Section 178 of the Companies Act, 2013 and Regulation 19 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015, as one of the member of the Nomination and Remuneration Committee is an Executive Director; and*
    - (ii) *At the end of Financial Year on March 31, 2019, there is unclaimed / unpaid fixed deposit liability of Rs. 1085.00 Lacs pending to be deposited with Investor Education and Protection Fund.*
  3. I further report that:
    - a. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.
    - b. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act, subject to para 2(i) as stated above.



- c. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- d. Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

**I further report that** the systems and processes in the company are commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that** during the audit period, the Company has entered into / carried out the following specific events / actions which may have a major bearing on the Company's affairs:

- a) The Company had issued and allotted 95,00,000 - 10% (Ten percent) Cumulative Redeemable Preference Shares (CRPS) with face value of INR 10 (Rupees Ten only) each, aggregating to INR 9,50,00,000 (Rupees Nine Crore and Fifty Lakh only) to Escorts Limited vide resolution of the Committee of Directors of the Company for Banking and Legal Matters dated March 31, 1999 and these CRPS were maturing on March 30, 2019. Due to liquidity crunch, the discharge of the said liability before or on the due date for the redemption could not be done. The Company had received No Objection Certificate from the CRPS holders for extending the maturity period of the said CRPS for a further period of 20 (twenty) years. Accordingly, the Company has filed the petition before the National Company Law Tribunal (NCLT), Chandigarh Bench on March 29, 2019 seeking issuance of 1% CRPS in place of the said CRPS with the new terms and conditions. The aforesaid matter is pending for the hearing before the NCLT.
- b) The dividend liability on preference shares pertaining to 10% Redeemable Cumulative Preference Shares of Rs. 10/- each has been waived off by the preference shareholders and hence no provision has been made for the same this year.

This report is to be read with my letter of even date which is annexed as Annexure and forms integral part of this report.

For **Jayant Gupta and Associates**

Sd/-

**(Jayant Gupta)**

**Practicing Company Secretary**

**FCS : 7288**

**CP : 9738**

**Place : New Delhi**

**Date : July 26, 2019**

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### **Annexure to the Secretarial Audit Report of Escorts Finance Limited for financial year ended March 31, 2019**

To,  
The Members

**Escorts Finance Limited**

#### **Management Responsibility for Compliances**

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company. The compliance of applicable financial laws including Direct and Indirect Tax laws by the Company has not been reviewed in this Audit as same are subject to review by the Statutory Auditors and other designated professionals.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Jayant Gupta and Associates**

Sd/-

**(Jayant Gupta)**

**Practicing Company Secretary**

**FCS : 7288**

**CP : 9738**

**Place : New Delhi**

**Date : July 26, 2019**



## TO THE MEMBERS OF ESCORTS FINANCE LIMITED

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

#### Qualified Opinion

We have audited the accompanying standalone financial statements of **Escorts Finance Limited ("the Company")** which comprises the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, **except for the effects of the matter described in the Basis for Qualified Opinion section of our report**, the aforesaid standalone financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019 and profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

#### Basis for Qualified Opinion

**As detailed disclosure in Note 33 to the standalone financial statements, the Company has matured unclaimed fixed deposit liability (including interest thereon) of Rs. 1085 lacs as on 31 March 2019 (Rs. 1095.13 lacs as on 31 March 2018).**

**In accordance with the Hon'ble Delhi High Court's Order / Direction dated 4th March 2011, Escorts Benefit Trust ('EBT') created by Escorts Limited (the "Holding Company"), to repay matured Fixed Deposit Liability against the claims. Presently, EBT maintains adequate funds to repay the matured unpaid fixed deposit liability, in terms of the direction of Hon'ble Delhi High Court. The remaining liability towards matured unclaimed fixed deposits is pending for deposit in Investor Education & Protection Fund.**

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

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and



cash flows of the Company in accordance with accounting principles generally accepted in India, including Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's Responsibilities for the Audit of Standalone Ind AS Financial Statement**

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

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

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

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit



work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

### **Emphasis of Matters**

- (a) the Company had accumulated losses at the close of the financial year with its net worth continuing to stand fully eroded and, however, the financial statements have been prepared on a going concern basis for reasons explained by the management, including the possibilities of considering various options to undertake suitable business(s) and exploring the options of revival or restructuring of the Company. We have relied on the representation made to us by the management and we have considered the adequacy of the disclosure made in Note 26 to the standalone financial statements concerning the Company's ability to continue as going concern.
- (b) the Company is no longer registered with Reserve Bank of India (RBI) as Non-Banking Financial Institution (NBFI) after cancellation of its earlier registration vide RBI letter no DNBS(NDI) S.3242/MSA/06.05.001/2015-16 dated 6th May 2016. Accordingly, the related provisions pertaining to NBFI are currently not applicable to the Company.
- (c) interest on preference shares amounting to Rs. 95 lacs (previous year Rs. 1805 lacs) pertaining to 10% Redeemable Cumulative Preference Shares of Rs. 10/- each for which no provision was made in earlier years, have been waived by the preference shareholders.
- (d) the Company had issued 10% Cumulative Redeemable Preference Shares of Rs. 10 each maturing on 30 March 2019. Due to liquidity crunch, the discharge the said liability before or on due date of redemption has not been done. The Company has received a No Objection Certificate from the preference share holder extending the maturity period of said Preference Shares for a further period of 20 years. Accordingly, the Company has filed a petition before National Company Law Tribunal (NCLT) on 29 March 2019 seeking issuance of 1% Cumulative Redeemable Preference Shares in place of said Preference Shares with new terms and conditions. This aforesaid matter is pending for hearing before NCLT.

Our opinion is not modified in respect of these matters.

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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.



- (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of change in equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
- (d) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- (e) The matter described in sub-paragraph (a) under the Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
- (f) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- (g) With respect to the adequacy of the Internal Financial Control with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 22(c) to the Standalone financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. The Company has not deposited amount of Rs. 1085.00 lacs to the Investor Education and Protection Fund against unpaid fixed deposit liabilities including interest thereon as referred to in Note 33 to the Standalone financial statements.

**For Kapish Jain & Associates**  
Chartered Accountants  
Firm Registration Number 022743N

Place: Faridabad  
Date: 4 May 2019

Sd/-  
**CA Kapish Jain**  
Partner  
Membership No. 514162



## ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT

### **(Referred to in Paragraph 1 under "Report on Other Legal and Regulatory Requirements" section of the Independent Auditor's Report of even date to the members of Escorts Finance Limited on the standalone financial statements as of and for the year ended 31 March 2019)**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (b) The Property, Plant and Equipment have been physically verified by the management during the year and according to the information and explanation given to us, no material discrepancies were noticed on such verification between books records and the physical inventories. In our opinion, the frequency of physical verification of Property, Plant and equipment is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us and the records examined by us, the Company does not own/hold any immovable property. Accordingly, the provisions of clause 3(i)(c) of the Order are not applicable.
- (ii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not hold any inventory during the year. Accordingly, the provisions of clause (ii) of the Order are not applicable.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Consequently, Clause (iii)(a), (iii)(b) and (iii)(c) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not dealt with any loans, guarantee, investments and security under the provision of section 185 and 186 of the Companies Act 2013. Consequently, Clause (iv) of the Order is not applicable to the Company.
- (v) In respect of any deposits accepted from the public, in our opinion and according to the information and explanation given to us, the directives issued by Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013, the Company had not complied with the said norms in relation to repayment of deposit on their respective maturity dates. However, M/s Escorts Benefit Trust (EBT) created by Escorts Limited maintains adequate funds to repay the matured unpaid fixed deposit liability, in terms of the direction of Hon'ble Delhi High Court. During the year ended 31 March 2019, EBT has settled the claims to the extent of Rs. 10.13 lacs by repayment to respective fixed deposit holders. The remaining liability towards unclaimed fixed deposits and interest thereon is Rs. 1085.00 lacs as on 31 March 2019 (Rs. 1095.13 lacs as on 31 March 2018) and the same is pending for deposit in Investor Education & Protection Fund.
- (vi) In our opinion and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company. Consequently, Clause (vi) of the Order is not applicable to the Company.
- (vii) a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales-Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and any other dues, during the year, with the appropriate authorities.
- No undisputed amount is payable as at 31 March 2019, for a period of more than six months from the date they became payable **except income tax liability amounting to Rs. 9.73 lacs.**
- b) According to the information and explanations given to us, the following statutory dues (details with regard to matters under litigations have been made based upon the management representation) have not been deposited with the appropriate authorities on account of any dispute:





S. No.	Nature of Statutory Dues	Period to which the amount relates	Forum where Dispute is pending	Unpaid Amount (in Rs. Lacs)
1	Value Added Tax	AY 2001-02	AC Appeal, Kolkata	2.26
		AY 1994-95	DC Appeal, Noida	0.54
		AY 1999-01	AC Appeal, Jaipur	1.52

\*disclosures have been made based upon the management representation.

- (viii) In our opinion and according to the information and explanations given to us, the Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, Clause (viii) of the Order is not applicable.
- (ix) In our opinion and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, Clause (ix) of the Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) In our opinion and according to the information and explanations given to us, no managerial remuneration has been paid or provided by the Company. Accordingly, Clause (xi) of the Order is not applicable.
- (xii) To the best of our knowledge and belief and according to the information and explanations given to us, the Company is not a Nidhi company. Consequently, Clause (xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year; consequently, the requirements of clause (xiv) of the Order are not applicable to the Company.
- (xv) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, Clause (xv) of the Order is not applicable to the Company.
- (xvi) To the best of our knowledge and belief and according to the information and explanations given to us, the Company was registered under section 45-IA of the Reserve Bank of India Act, 1934. The approval for cancellation of its NBFC registration was received vide letter no. DNBS(NDI)S.3242/MSA/06.05.001/2015-16 dated May 6, 2016. Accordingly, the related provisions pertaining to NBFI are currently not applicable to the Company.

**For Kapish Jain & Associates**  
Chartered Accountants  
Firm Registration Number 022743N

Place: Faridabad  
Date: 4 May 2019

Sd/-  
**CA Kapish Jain**  
Partner  
Membership No. 514162



## **ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in Paragraph 2 clause (h) under "Report on Other Legal and Regulatory Requirements" section of the Independent Auditor's Report of even date to the members of Escorts Finance Limited on the standalone financial statements for the year ended 31 March 2019)

### **Independent Auditor's Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of ESCORTS FINANCE LIMITED ("the Company") as at 31 March 2019, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by the Institute of Chartered Accountants of India ("ICAI") and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal financial controls over financial reporting and their operating effectiveness. Our audit of Internal financial controls over financial reporting included obtaining an understanding of Internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's Internal financial controls over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



## **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of Internal Financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected, Also projections of any evaluation of the internal financial controls over financial reporting to future period are subject to the risk that Internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls systems over financial reporting and such internal financial controls systems over financial reporting were operating effectively as at 31 March 2019, based on internal financial controls systems over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of internal financial controls systems over financial reporting issued by the Institute of Chartered Accountants of India.

**For Kapish Jain & Associates**  
Chartered Accountants  
Firm Registration Number 022743N

Place: Faridabad  
Date: 4 May 2019

Sd/-  
**CA Kapish Jain**  
Partner  
Membership No. 514162

# BALANCE SHEET AS AT 31 MARCH, 2019



(All amounts in Lacs unless stated otherwise)

Particulars	Note No.	As at 31 March, 2019	As at 31 March, 2018
<b>Assets</b>			
<b>1 Non-current assets</b>			
a. Property, plant and equipment	3	0.11	0.11
b. Other intangible assets	4	0.09	0.09
c. Financial assets			
i. Investments	5	284.26	271.37
ii. Other financial assets	6	-	-
d. Other non-current assets	7	118.41	132.28
e. Income tax assets		60.19	60.19
		<b>463.06</b>	<b>464.04</b>
<b>2 Current assets</b>			
a. Financial assets			
i. Investments	5	-	-
ii. Trade receivables	8	-	-
iii. Cash and cash equivalents	9	5.00	31.21
iv. Other financial assets	6	4.30	4.07
b. Other current assets	7	14.76	13.36
		<b>24.06</b>	<b>48.64</b>
		<b>487.12</b>	<b>512.68</b>
<b>Total assets</b>			
<b>Equity and liabilities</b>			
<b>1 Equity</b>			
a. Equity share capital	10	4,017.25	4,017.25
b. Other equity			
i. Retained earnings	11	(21,867.34)	(21,835.16)
		<b>(17,850.09)</b>	<b>(17,817.91)</b>
<b>2 Liabilities</b>			
<b>Non-current liabilities</b>			
a. Financial liabilities			
i. Borrowings	12	-	-
ii. Other financial liabilities	13	14,777.09	14,766.97
b. Provisions	14	4.33	3.68
		<b>14,781.42</b>	<b>14,770.65</b>
<b>Current liabilities</b>			
a. Financial liabilities			
i. Borrowings	12	950.00	950.00
ii. Other financial liabilities	13	2,594.14	2,597.87
b. Provisions	14	0.09	0.07
c. Current tax liabilities		9.73	9.73
d. Other current liabilities	15	1.83	2.27
		<b>3,555.79</b>	<b>3,559.94</b>
		<b>18,337.21</b>	<b>18,330.59</b>
		<b>487.12</b>	<b>512.68</b>
<b>Total liabilities</b>			
<b>Total equity and liabilities</b>			

See accompanying notes to the financial statements

In terms of our report attached

**For Kapish Jain & Associates,**  
Chartered Accountants  
Firm's Registration No. 022743N

**CA Kapish Jain**  
Partner  
Membership No. 514162

Place: Faridabad  
Date: 04 May, 2019

**For and on behalf of the Board of Directors**

**Pritam Narang**  
Whole Time Director  
DIN: 00982418

**Vicky Chauhan**  
Company Secretary  
M. No.: A27729

**Sumit Raj**  
Director  
DIN: 07171298

**Donald Fernandez**  
Chief Financial Officer  
PAN AAAPF9140N

# STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31 MARCH, 2019



(All amounts in Lacs unless stated otherwise)

Particulars	Note No.	For the year ended 31 March, 2019	For the year ended 31 March, 2018
<b>I</b> Revenue from operations	16	4.71	15.90
<b>II</b> Other income	17	39.65	0.52
<b>III Total income</b>		<b>44.36</b>	<b>16.42</b>
<b>IV Expenses</b>			
Employee benefits expense	18	14.61	13.25
Depreciation and amortisation expense	19	-	-
Finance cost	20	0.01	0.01
Other expenses	21	22.94	279.37
<b>Total expenses (IV)</b>		<b>37.56</b>	<b>292.63</b>
<b>V Profit/(Loss) before tax (III-IV)</b>		<b>6.80</b>	<b>(276.21)</b>
<b>VI Tax expense</b>			
Current tax		-	-
Deferred tax credit	36	-	-
Tax adjustment of past years		-	178.80
		-	<b>178.80</b>
<b>VII Profit/(Loss) for the year (V-VI)</b>		<b>6.80</b>	<b>(97.41)</b>
<b>VIII Other comprehensive income</b>			
Items that will not be reclassified to profit and loss		(38.98)	(0.06)
Income Tax relating to Items that will not be reclassified to profit and loss		-	-
<b>IX Total comprehensive income for the year (VII+VIII)</b>		<b>(32.18)</b>	<b>(97.47)</b>
<b>X Earning per equity share</b>			
Equity shares of face value Rs. 10 each			
Basic	40	0.02	(0.24)
Diluted	40	0.02	(0.24)

## See accompanying notes to the financial statements

In terms of our report attached

**For Kapish Jain & Associates,**  
Chartered Accountants  
Firm's Registration No. 022743N

**For and on behalf of the Board of Directors**

**CA Kapish Jain**  
Partner  
Membership No. 514162

**Pritam Narang**  
Whole Time Director  
DIN: 00982418

**Sumit Raj**  
Director  
DIN: 07171298

Place: Faridabad  
Date: 04 May, 2019

**Vicky Chauhan**  
Company Secretary  
M. No.: A27279

**Donald Fernandez**  
Chief Financial Officer  
PAN AAAPF9140N

# STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2019



(All amounts in Lacs unless stated otherwise)

## A. Equity share capital

Particulars	No. of shares	Amount
Equity shares of Rs. 10 each issued and subscribed		
<b>Balance as at 1 April 2017</b>	<b>40,250,000</b>	<b>4,017.25</b>
Issue of equity share capital	-	-
<b>Balance as at 31 March 2018</b>	<b>40,250,000</b>	<b>4,017.25</b>
Issue of equity share capital	-	-
<b>Balance as at 31 March 2019</b>	<b>40,250,000</b>	<b>4,017.25</b>

## B. Other equity

Particulars	Retained earnings	Equity instruments through other comprehensive income	Total
<b>Balance as at 1 April 2017</b>	<b>(21,737.69)</b>	-	<b>(21,737.69)</b>
Profit for the year	(97.41)	-	(97.41)
Remeasurement benefit of defined benefit plans	(0.06)	-	(0.06)
Other comprehensive income for the year, net of income tax	-	-	-
<b>Balance as at 31 March 2018</b>	<b>(21,835.16)</b>	-	<b>(21,835.16)</b>
Profit for the year	6.80	-	6.80
Remeasurement benefit of defined benefit plans	(0.11)	-	(0.11)
Other comprehensive income for the year, net of income tax	-	(38.87)	(38.87)
<b>Balance as at 31 March 2019</b>	<b>(21,828.47)</b>	<b>(38.87)</b>	<b>(21,867.34)</b>

See accompanying notes to the financial statements

In terms of our report attached

**For Kapish Jain & Associates,**  
Chartered Accountants  
Firm's Registration No. 022743N

**CA Kapish Jain**  
Partner  
Membership No. 514162

Place: Faridabad  
Date: 04 May, 2019

**For and on behalf of the Board of Directors**

**Pritam Narang**  
Whole Time Director  
DIN: 00982418

**Vicky Chauhan**  
Company Secretary  
M. No.: A27729

**Sumit Raj**  
Director  
DIN: 07171298

**Donald Fernandez**  
Chief Financial Officer  
PAN AAAPF9140N

# STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH, 2019



(All amounts in Lacs unless stated otherwise)

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
<b>A. Cash flow from operating activities</b>		
<b>Profit/(loss) after tax</b>	(32.18)	(97.47)
<b>Adjustments for :</b>		
Income tax expense recognised in profit or loss	-	(178.80)
Depreciation of plant, property and equipment	-	-
Excess provision written back	1.72	(13.80)
Provision for Gratuity & Leave Encashment	0.56	0.29
Finance cost	0.01	0.01
	<u>(29.89)</u>	<u>(289.77)</u>
<b>Changes in assets and liabilities</b>		
(Increase)/decrease in other financial assets and inventory	(0.23)	(0.23)
(Increase)/decrease in trade receivables	(1.72)	13.80
(Increase)/decrease in other assets	(0.42)	255.21
Increase/(decrease) in trade payable	-	-
Increase/(decrease) in other liabilities	16.19	(13.78)
<b>Cash generated from operating activities</b>	<b>(16.07)</b>	<b>(34.77)</b>
Financial Expenses	(0.01)	(0.01)
<b>Net cash generated from operating activities</b>	<b>(16.08)</b>	<b>(34.78)</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of property, plant and equipment	-	-
Sale of Investment	-	489.94
Investment made	-	(416.25)
<b>Net cash generated from/(used in) investing activities</b>	<b>-</b>	<b>73.69</b>
<b>C. Cash flows from financing activities</b>		
Increase/(Decrease) in Fixed Deposits (matured/inclained)	(10.13)	(37.44)
<b>Net cash generated from/(used in) financing activities</b>	<b>(10.13)</b>	<b>(37.44)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(26.21)</b>	<b>1.47</b>
Cash and cash equivalents at the beginning of year	31.21	29.74
<b>Cash and cash equivalents at the end of year</b>	<b>5.00</b>	<b>31.21</b>

- 1) The statement of cash flow has been prepared under the indirect method as set out in Ind AS 7 on statements of cash flow.
- 2) Figures in brackets indicate cash outflow.

In terms of our report attached

**For Kapish Jain & Associates,**  
Chartered Accountants  
Firm's Registration No. 022743N

**CA Kapish Jain**  
Partner  
Membership No. 514162

Place: Faridabad  
Date: 04 May, 2019

**For and on behalf of the Board of Directors**

**Pritam Narang**  
Whole Time Director  
DIN: 00982418

**Vicky Chauhan**  
Company Secretary  
M. No.: A27729

**Sumit Raj**  
Director  
DIN: 07171298

**Donald Fernandez**  
Chief Financial Officer  
PAN AAAPF9140N

**1 Corporate Information**

Escorts Finance Limited "the Company" is a public company incorporated under Indian Companies Act, 1956 having its registered office at Chandigarh. The Company is a listed company at Bombay Stock Exchange. The registered office of the company is located at SCO 64-65, Third Floor, Sector-17A, Chandigarh-160017, India. The Company's CIN is L65910CH1987PLC033652.

**2 Significant Accounting Policies :****2.1 Statement of compliance**

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), the provisions of the Companies Act, 2013 ("the Companies Act"), as applicable and guidelines issued by the Securities and Exchange Board of India ("SEBI"). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The financial statements correspond to the classification provisions contained in Ind AS 1, "Presentation of Financial Statements". For clarity, various items are aggregated in the statements of profit and loss and balance sheet. These items are disaggregated separately in the notes to the financial statements, where applicable.

Accounting policies have been applied consistently to all periods presented in these financial statements.

**2.2 Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

**2.3 Basis of preparation and presentation**

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants





would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17 and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

#### **2.4 Use of estimates**

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key source of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of valuation of deferred tax assets and provisions and contingent liabilities.

#### **Valuation of deferred tax assets**

In view of uncertainty of future taxable profits, the Company has not recognized deferred tax asset (net of deferred tax liabilities) at the year end.

#### **2.5 Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The specific recognition criteria described below must also be met before revenue is recognised:

- a) Income is recognized on accrual basis except income related to non-performing assets, which is accounted on cash basis in accordance with prudential norms of Reserve Bank of India.
- b) The Company has adopted Implicit Rate of Return (IRR) method of accounting in respect of finance charges income for hire purchase/loan transactions. As per this method, the IRR involved in each hire purchase/loan transaction is recognized and finance charges calculated by applying the same on outstanding principal financed thereby establishing equitable distribution of income over the period of the agreement.
- c) Interest on overdue installments is accounted for on receipt basis.
- d) Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.
- e) Dividend income is recognised at the time when right to receive the payment is established, which is generally when the shareholders approve the dividend.



## **2.6 Foreign currencies**

The functional currency of the Company is Indian rupee (Rs.).

Income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognised in the statement of profit and loss.

## **2.7 Employee benefits**

The Company provides post-employment benefits through various defined contribution and defined benefit plans.

### **2.7.1 Defined contribution plans**

A defined contribution plan is a plan under which the Company pays fixed contributions into an independent fund administered by the government. The Company has no legal or constructive obligations to pay further contributions after its payment of the fixed contribution, which are recognised as an expense in the year in which the related employee services are received.

### **2.7.2 Defined benefit plans**

The defined benefit plans sponsored by the Company define the amount of the benefit that an employee will receive on completion of services by reference to length of service and last drawn salary. The legal obligation for any benefits remains with the Company.

Gratuity is post-employment benefit and is in the nature of a defined benefit plan. The liability recognised in the financial statements in respect of gratuity is the present value of the defined benefit obligation at the reporting date, together with adjustments for unrecognised actuarial gains or losses and post service costs. The defined benefit obligation is calculated at or near the reporting date by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to the statement of OCI in the year in which such gains or losses are determined.

### **Other long-term employee benefits**

Liability in respect of compensated absences becoming due or expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to the statement of OCI in the year in which such gains or losses are determined.

### **Short-term employee benefits**

Expenses in respect of other short term benefits is recognised on the basis of the amount paid or payable for the period during which services are rendered by the employee.

## **2.8 Taxation**

Income tax expense represents the sum of the tax currently payable and deferred tax.

### **2.8.1 Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.



### **2.8.2 Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

### **2.8.3 Current and deferred tax for the year**

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

## **2.9 Inventories**

Repossessed assets are valued at the end at lower of book value or net realizable value as certified by the management of the Company.

## **2.10 Property plant and equipment**

The Company has elected to continue with the carrying value of all of its plant and equipment (including freehold land) as at the transition date, viz., 1 April 2015 measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Property plant and equipment and capital work in progress are stated at cost of acquisition or construction net of accumulated depreciation and impairment loss (if any).

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the Statement of Profit and Loss during the financial period in which they are incurred.

Depreciation is computed on Straight Line Method ('SLM') based on estimated useful lives as determined by internal assessment of the assets in terms of Schedule of II to the Companies Act, 2013.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

No further charge is provided in respect of assets that are fully written down but are still in use.



### 2.11 Intangible assets

Development of property (website) and software costs are included in the balance sheet as intangible assets, when they are clearly linked to long term economic benefits for the Company. These are measured initially at purchase cost and then amortised on a straight-line basis over their estimated useful lives.

### 2.12 Impairment of tangible and intangible assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

### 2.13 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

### 2.14 Financial Instruments

#### A. Initial recognition

Financial assets and financial liabilities are recognised when a Company entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

#### Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

#### B. Subsequent measurement

##### I. Non-derivative financial instruments

##### a. Financial assets carried at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



**b. Financial assets at fair value through other comprehensive income**

Investment in equity instruments (other than subsidiaries / associates / joint ventures) - All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are generally classified at fair value through profit and loss (FVTPL). For all other equity instruments, the Company decides to classify the same either at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL). The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the other comprehensive income (OCI). There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Dividends on such investments are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

**c. Financial assets at fair value through profit or loss**

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

**d. Financial liabilities**

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

**II. Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

**C. Derecognition of financial instruments**

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

**2.15 Fair value of financial instruments**

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realised.

**2.16 Impairment of financial assets (other than at fair value)**

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition



(All amounts in Lacs unless stated otherwise)

**3 Property, plant and equipment**

	<b>As at 1 April 2018</b>	<b>Additions</b>	<b>Adjustments</b>	<b>Deletions</b>	<b>As at 31 March 2019</b>
<b>Cost</b>					
Furniture and fixtures	1.37	-	-	-	1.37
Office equipment	14.51	-	-	-	14.51
<b>Total</b>	<b>15.88</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15.88</b>
<b>Depreciation</b>					
Furniture and fixtures	1.35	-	-	-	1.35
Office equipment	14.42	-	-	-	14.42
<b>Total</b>	<b>15.77</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15.77</b>
<b>Carrying amounts</b>					
Furniture and fixtures	0.02	-	-	-	0.02
Office equipment	0.09	-	-	-	0.09
<b>Total</b>	<b>0.11</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.11</b>

**Verification of property, plant & equipment**

Refer Note 24 for physical verification of property, plant and equipment carried out during the year.

**Depreciation of property, plant & equipment**

Refer Note 25 for depreciation of property, plant and equipment.

**4 Intangible assets**

	<b>As at 1 April 2018</b>	<b>Additions</b>	<b>Adjustments</b>	<b>Deletions</b>	<b>As at 31 March 2019</b>
<b>Cost</b>					
Website Development	0.53	-	-	-	0.53
<b>Total</b>	<b>0.53</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.53</b>
<b>Depreciation</b>					
Website Development	0.44	-	-	-	0.44
<b>Total</b>	<b>0.44</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.44</b>
<b>Carrying amounts</b>					
Website Development	0.09	-	-	-	0.09
<b>Total</b>	<b>0.09</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.09</b>

**Amortisation of intangible assets**

Refer Note 25 for amortisation of intangible assets.



(All amounts in Lacs unless stated otherwise)

5 Investments

	As at 31 March, 2019	As at 31 March, 2018
<b>Non-current investments</b>		
<b>Investment carried at cost</b>		
Subsidiary Companies	-	-
<b>Associates</b>		
Fully paid equity shares (unquoted)	-	146.00
<b>Investment carried at fair value through OCI</b>		
Fully paid equity shares (unquoted)	146.29	-
<b>Investment carried at amortised cost</b>		
Preference shares	137.97	125.37
	<b>284.26</b>	<b>271.37</b>
<b>Current investments</b>		
Fully paid equity shares (unquoted)	7.42	7.42
Less: Provision for Diminution in Value of Trade Investments	7.42	7.42
	-	-
<b>Details of investment is as follows:</b>		
<b>Non-current investments</b>		
<b>Associates (in equity instruments - unquoted) - At Cost</b>		
Escorts Securities Limited *	-	146.00
NIL Equity Shares of Rs.10/- each (31 March 2018 : 14,60,000 Shares)		
	-	<b>146.00</b>
<b>Others (in equity instruments - unquoted) - At Fair Value</b>		
Escorts Securities Limited *	146.29	-
14,60,000 Equity Shares of Rs.10/- each (31 March 2018 : NIL)		
	<b>146.29</b>	-
<b>Others (in preference shares) - At Amortised Cost</b>		
All Grow Finance & Investment Private Limited 7,30,000 10% non-cumulative redeemable Preference Shares of Rs. 10/- each; Redeemable on or before 26.03.2035 (31st March 2018 : 7,30,000 shares)	15.77	14.33
All Grow Finance & Investment Private Limited 1,97,250 4% non- cumulative redeemable Preference Shares of Rs. 100/- each; Redeemable on or before 04.07.2023 (31 March 2018 : 1,97,250 Shares)	122.20	111.04
	<b>137.97</b>	<b>125.37</b>

\* As on 11 May 2018, Escorts Securities Limited has ceased to be an associate of the Company. Hence value of investment in equity instruments of Escorts Securities Limited are measured at Fair Value in accordance with Ind-AS 109 as on the date of balance sheet.

**Current investments**

**Others (in equity instruments - unquoted) - At Cost**

Escorts Consumer Credit Limited 1,90,000 Equity Shares of Rs. 10/- each (31 March 2018 : 1,90,000)	0.02	0.02
G.R. Solvents & Allied Insutries Limited 92,485 Equity Shares of Rs.10/- each (31 March 2018: 92,485)	7.40	7.40
	<b>7.42</b>	<b>7.42</b>



(All amounts in Lacs unless stated otherwise)

**6 Other financial assets**

	As at 31 March, 2019	As at 31 March, 2018
<b>Non-current other financial assets</b>		
<b>Unsecured; considered doubtful</b>		
Loans and Advances	253.82	253.82
Less: Provision for bad & doubtful loan & advances	253.82	253.82
	-	-
<b>Current financial assets</b>		
Security deposits	3.73	3.73
Accrued interest	0.57	0.34
	<b>4.30</b>	<b>4.07</b>

**7 Other assets**

**Other non-current assets**

Prepaid expenses	118.41	132.28
	<b>118.41</b>	<b>132.28</b>

**Other current assets**

(Unsecured; considered good unless otherwise stated)

Advances with public bodies	0.14	0.14
Prepaid expenses	14.12	12.72
Other loans and advances	0.50	0.50
	<b>14.76</b>	<b>13.36</b>

**8 Trade receivables**

**Unsecured**

i. Considered good	-	-
ii. Considered doubtful <sup>§</sup>	703.14	704.86
	<b>703.14</b>	<b>704.86</b>
Less: Provision for bad and doubtful trade receivables	703.14	704.86
	-	-

<sup>§</sup> Refer Note 29 for doubtful trade receivables.

**9 Cash and cash equivalents**

Cash on hand #	-	-
Balances with banks In current accounts	5.00	31.21
	<b>5.00</b>	<b>31.21</b>

# Amount is less than one thousand rupees

**10 Share capital**

	As at 31 March, 2019		As at 31 March, 2018	
	No. of shares	Amount	No. of shares	Amount
<b>Authorised share capital</b>				
<b>Equity shares</b>				
Equity shares of Rs. 10 each	40,500,000	4,050.00	40,500,000	4,050.00
	<b>40,500,000</b>	<b>4,050.00</b>	<b>40,500,000</b>	<b>4,050.00</b>
<b>Issued, subscribed and fully paid up</b>				
<b>Equity shares</b>				
Equity shares of Rs. 10 each	40,250,000	4,025.00	40,250,000	4,025.00
Less: Allotement money in arrears from others		7.75		7.75
<b>Total</b>	<b>40,250,000</b>	<b>4,017.25</b>	<b>40,250,000</b>	<b>4,017.25</b>





(All amounts in Lacs unless stated otherwise)

**(a) Reconciliation of number of shares**

	As at 31 March, 2019		As at 31 March, 2018	
	No. of shares	Amount	No. of shares	Amount
Balance as at the beginning of the year	40,250,000	4,017.25	40,250,000	4,017.25
Add: Increase during the period	-	-	-	-
Balance as at the end of the year	<b>40,250,000</b>	<b>4,017.25</b>	<b>40,250,000</b>	<b>4,017.25</b>

**(b) Rights/ preferences/ restrictions attached to equity shares**

The Company has one class of equity shares having a par value of Rs. 10 per Share. Each Shareholder is eligible for one vote per share held. The dividend proposed (if any) by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend(if any). In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**(c) Details of shareholders holding more than 5% shares in the Company**

Name of shareholder	As at 31 March, 2019		As at 31 March, 2018	
	No of shares	% holding	No of shares	% holding
Escorts Benefit and Welfare Trust	23,497,478	58.38%	23,497,478	58.38%
Escorts Limited	3,819,700	9.49%	3,819,700	9.49%
Allgrow Finance and Investment Private Limited	2,155,908	5.36%	-	-

**11 Other Equity**

	As at 31 March, 2019	As at 31 March, 2018
<b>Securities Premium Reserve</b>	<b>2,643.83</b>	<b>2,643.83</b>
<b>Special Reserve</b>	<b>1,115.00</b>	<b>1,115.00</b>
<b>General Reserve</b>	<b>31.46</b>	<b>31.46</b>
<b>Retained Earning</b>		
Balance at beginning of the year	(25,625.39)	(25,527.98)
Add: Profit/(Loss) for the year	6.80	(97.41)
Balance at closing of the year	<b>(25,618.59)</b>	<b>(25,625.39)</b>
<b>Other Comprehensive Income, Net of Tax</b>		
Equity instruments measured at fair value through other comprehensive income		
Balance at beginning of the year	-	-
Add: Changes during the year	(38.87)	-
Balance at closing of the year	<b>(38.87)</b>	-
Re-measurements of defined employee benefit plans		
Balance at beginning of the year	(0.06)	-
Add: Changes during the year	(0.11)	(0.06)
Balance at closing of the year	(0.17)	(0.06)
<b>Balance at the end of 31 March 2019</b>	<b>(21,867.34)</b>	<b>(21,835.16)</b>

**Nature and purpose of reserves:**

**Other comprehensive income (OCI)**

- The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.
- The Company has recognised remeasurement of defined benefits plans through other comprehensive income.



(All amounts in Lacs unless stated otherwise)

**12 Borrowings**

	As at 31 March, 2019	As at 31 March, 2018
<b>Non-Current Borrowings</b>	-	-
<b>Current Borrowings</b>		
<b>Preference shares</b>		
95,00,000 10% Redeemable Cumulative Preference Shares of Rs. 10 each (31 March 2018 : 95,00,000)	950.00	950.00
	<b>950.00</b>	<b>950.00</b>

Refer Note 30 for filing of petition before NCLT to extend the maturity period which were due for redemption on 30 March 2019.

Refer Note 31 for waiver of outstanding interest on preference shares as on balance sheet date.

**13 Other Financial Liability**

**Other Non-Current Financial Liability**

a. FD Redemption through Court approved arrangements *	14,777.09	14,766.97
	<b>14,777.09</b>	<b>14,766.97</b>

**Other Current Financial Liability**

a. Matured / Unclaimed fixed deposits and interest thereon ^	1,085.00	1,095.13
b. Other payable	1,509.14	1,502.74
	<b>2,594.14</b>	<b>2,597.87</b>

\* Refer Note 32 for amount repaid to its unclaimed/unpaid matured fixed deposits by Escorts Limited to bail out the liability of the Company under the directions of Hon'ble Delhi High Court.

^ Refer Note 33 for remaining liability towards unclaimed matured fixed deposits liability including interest thereon and the same is pending for deposit in Investor Education & Protection Fund.

**14 Provisions**

**Non-current Provisions**

**Provision for employee benefits**

a. Provision for gratuity	3.67	3.11
b. Provision for compensated absences	0.66	0.57
	<b>4.33</b>	<b>3.68</b>

**Current Provisions**

**Provision for employee benefits**

a. Provision for gratuity	0.06	0.05
b. Provision for compensated absences	0.03	0.02
	<b>0.09</b>	<b>0.07</b>

Refer Note 34 for disclosures on employee benefits.

**15 Other current liabilities**

Statutory dues payable	1.83	2.27
	<b>1.83</b>	<b>2.27</b>

**16 Revenue from operations**

	For the year ended 31 March, 2019	For the year ended 31 March, 2018
<b>Other operating revenue</b>		
a. Bad Debts Recovered	1.85	1.26
b. Overdue Interest	1.14	0.84
c. Provisions for doubtful debts/ advances written back	1.72	13.80
	<b>4.71</b>	<b>15.90</b>



**(All amounts in Lacs unless stated otherwise)**

	<b>For the year ended 31 March, 2019</b>	<b>For the year ended 31 March, 2018</b>
<b>17 Other income</b>		
a. Interest income	0.23	0.26
b. Other income	0.26	0.26
c. Gain on account of cessation of rights in an associates*	39.16	-
	<u><b>39.65</b></u>	<u><b>0.52</b></u>
* Impact of share valued at NAV as on the date of cessation (i.e. 11 May 2018) of rights in an associates named Escorts Securities Limited.		
<b>18 Employee benefits expense</b>		
a. Salary, wages and bonus	14.05	12.55
b. Contribution to provident and other funds	0.55	0.50
c. Staff welfare expenses	0.01	0.20
	<u><b>14.61</b></u>	<u><b>13.25</b></u>
<b>19 Depreciation and amortisation expense</b>		
a. Depreciation of plant, property and equipment	-	-
b. Amortisation of intangible assets	-	-
	<u>-</u>	<u>-</u>
<b>20 Finance cost</b>		
a. Bank Charges	0.01	0.01
	<u><b>0.01</b></u>	<u><b>0.01</b></u>
<b>21 Other expenses</b>		
a. Rates and taxes	0.16	0.30
b. Legal and professional	4.35	5.05
c. Repair and maintenance - others	0.11	0.09
d. Printing & Stationary	0.14	0.15
e. Travelling and conveyance	0.96	0.44
f. Advertisement & Publicity	0.94	0.92
g. Postage & Telephone	2.10	0.37
h. Payments to auditors (see Note 'A' below)	2.51	2.77
i. Director's Sitting Fees	0.50	0.72
j. Bad debts written off	-	1,361.20
Less: Provision already held	<u>-</u>	<u>(1,358.47)</u>
k. AGM Expenses	5.42	5.36
l. Fee & Subscription	4.78	4.53
m. Claim / Compensation paid	-	-
n. Miscellaneous expenses	0.97	1.29
o. EGM Expenses	-	0.83
p. Provision for Doubtful Advances	-	253.82
	<u><b>22.94</b></u>	<u><b>279.37</b></u>
<b>Note:</b>		
A. Payments to auditors		
(i) Audit Fees	2.36	2.36
(ii) Other Services	-	0.26
(iii) Out of pocket expenses	0.15	0.15
	<u><b>2.51</b></u>	<u><b>2.77</b></u>



**22 Commitments and contingencies**

- a. The estimated amount of contracts remaining to be executed on capital amount and not provided for (net of advances) amount to Rs. Nil (31 March 2018: Rs. Nil).
- b. The Company has other commitments, for purchase of goods and services and employee benefits, in normal course of business. The Company does not have any long-term commitments/contracts including derivative contracts for which there will be any material foreseeable losses.
- c. Contingent liabilities \*
  - (i) Sales tax demands against the Company not acknowledged as debt and not provided for in respect of which the Company is in appeal is Rs. 2.93 lacs (Previous Year Rs.2.93 lacs).
  - (ii) Claims/demands under litigation against the Company not acknowledged as debt and not provided for in the books. Amount is presently not ascertainable.

**\* The provisions and the disclosures with regard to matters under litigations have been made based upon the management representation/estimates.**

- 23** The Company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure relating to amounts unpaid as at balance sheet date together with interest paid / payable under this Act has not been given.
- 24** The Company has conducted physical verification of its property, plant and equipment during the year in order to ensure their location, existence and assess their working condition. No discrepancies have been reported during such verification.
- 25** All the property, plant & equipment and intangible assets of the Company are fully depreciated in accordance with the provisions of Companies Act, 2013. The minimum residual value is carried in books of accounts.
- 26** The Company had accumulated losses as at the close of the financial year with its net worth continuing to stand fully eroded. Presently, the Company continues to focus on recovery of old delinquent loan assets through settlement/ compromise /legal action etc. arising out of it's earlier NBFC business. The financial information in these financial statements has been prepared on a going concern basis, which assumes that the Company will continue it's operational existence in the foreseeable future as the management of the company is considering various options to undertake suitable business(s) and is also exploring the options of revival or restructuring of the Company. After review of the future operational business options of the Company, management believes the Company would garner required funds to continue as a going concern for the foreseeable future. Moreover, before the date of signing of financials, the Company has rendered the facility management services subsequent to the balance sheet date, which may be considered as an adequate evidence about the Company's ability to continue as a going concern.
- 27** The Company is no longer registered with Reserve Bank of India (RBI) as Non Banking Financial Institution (NBFI) after cancellation of it's earlier registration vide RBI letter no DNBS(NDI) S.3242/MSA/06.05.001/2015-16 dated 6 May 2016. Accordingly, the related provisions pertaining to NBFI are currently not applicable to the Company.
- 28** In opinion of the Board, the loans & advances (net of related provisions) and other current assets have a value, which if realized in the ordinary course of business, will not be less than the value stated in the Balance Sheet.
- 29** Trade receivables amounting to Rs. 703.14 lacs (Previous Year Rs. 704.86 lacs) represents cases against which legal actions/ settlements/compromises for recovery are in process. However, full provision is held against such receivables.
- 30** The Company had issued 10% Cumulative Redeemable Preference Shares of Rs. 10 each maturing on 30 March 2019. Due to liquidity crunch, the discharge of the said liability before or on due date of redemption has not been done. The Company has received a No Objection Certificate from the preference share holder extending the maturity period of said Preference Shares for a further period of 20 years. Accordingly, the Company has filed a petition before National Company Law Tribunal (NCLT) on 29 March 2019 seeking issuance of 1% Cumulative Redeemable Preference Shares in place of said Preference Shares with new terms and conditions. Since the aforesaid matter is pending for hearing before NCLT, this liability has been classified under current borrowing as on 31 March 2019.
- 31** Interest on preference shares amounting to Rs. 95 lacs (previous year Rs. 1805 lacs) pertaining to 10% Redeemable Cumulative Preference Shares of Rs. 10/- each for which no provision was made in earlier years, have been waived by the preference shareholders.
- 32** The Company is a subsidiary of M/s Escorts Limited (the "Holding Company"). The Holding Company bailed out the liability of the Company towards its unclaimed/unpaid matured fixed deposits from time to time since 2007 in terms of a Scheme of Arrangement and Compromise filed before the Hon'ble Delhi High Court. Accordingly, the amount repaid to the fixed deposit holders under the directions of the Court to the extent of Rs. 14,777.09 lacs as on 31 March 2019 (Rs. 14,766.97 lacs as on 31 March 2018) has been shown as "FD Redemption through Court approved arrangements" under "Non-Current Financial Liabilities".



**33** M/s Escorts Benefit Trust (EBT) created by Escorts Limited maintains adequate funds to repay the matured unpaid fixed deposit liability, in terms of the direction of Hon'ble Delhi High Court. During the year ended 31 March 2019, EBT has settled the claims to the extent of Rs. 10.13 lacs by repayment to respective fixed deposit holders. The remaining liability towards unclaimed fixed deposits and interest thereon is Rs. 1085.00 lacs as on 31 March 2019 (Rs. 1095.13 lacs as on 31 March 2018) and the same is pending for deposit in Investor Education & Protection Fund.

**34 Employee benefits plans**

**A. Defined contribution plans:**

The Company makes Provident fund and Employee State Insurance Scheme contribution which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to the fund. The contribution payable to these plans by the Company are at rates specified in the rules of the schemes. Employers's contribution to Provident Fund and Employee's State Insurance Scheme recognised as expenses in the Statement of Profit and Loss for the year are as under:

(Amount in Rupees)

	<b>For the year ended 31 March, 2019</b>	<b>For the year ended 31 March, 2018</b>
Contribution to provident fund and other funds	55,044	50,299

**B. Defined benefit plans:**

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

**i) Amount recognised in the statement of profit and loss is as under :**

(Amount in Rupees)

	<b>Gratuity benefits</b>		<b>Compensated absences</b>	
	<b>For the year ended</b>		<b>For the year ended</b>	
	<b>31 March 2019</b>	<b>31 March 2018</b>	<b>31 March 2019</b>	<b>31 March 2018</b>
Current service cost	18,951	17,085	3,469	3,140
Past service cost including curtailment gains/losses	-	-	-	-
Interest cost	24,118	20,799	4,543	5,280
Actuarial (gain)/loss, net	-	-	923	(18,195)
<b>Amount recognised during the year</b>	<b>43,069</b>	<b>37,884</b>	<b>8,935</b>	<b>(9,775)</b>

**ii) Movement in the present value of defined benefit obligation recognised in the balance sheet is as under**

(Amount in Rupees)

	<b>Gratuity benefits</b>		<b>Compensated absences</b>	
	<b>For the year ended</b>		<b>For the year ended</b>	
	<b>31 March 2019</b>	<b>31 March 2018</b>	<b>31 March 2019</b>	<b>31 March 2018</b>
<b>Present value of defined benefit obligation as at the start of the year</b>	<b>319,864</b>	<b>275,845</b>	<b>60,250</b>	<b>70,025</b>
Current service cost	18,951	17,085	3,469	3,140
Past service cost	-	-	-	-
Interest cost	24,118	20,799	4,543	5,280
Actuarial (gain)/loss on obligation	10,670	6,135	923	(18,195)
Benefits paid	-	-	-	-
<b>Present value of defined benefit obligation as at the end of the year</b>	<b>373,603</b>	<b>319,864</b>	<b>69,185</b>	<b>60,250</b>
<b>Current position of obligation as at the end of the year</b>	<b>6,493</b>	<b>5,421</b>	<b>2,865</b>	<b>2,441</b>
<b>Non-current position of obligation as at the end of the year</b>	<b>367,110</b>	<b>314,443</b>	<b>66,320</b>	<b>57,809</b>



**iii) Net Employee Benefit (recognised in Other Comprehensive Income)**

(Amount in Rupees)

	Gratuity benefits		Compensated absences	
	For the year ended		For the year ended	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Actuarial gain / (loss) for the year on PBO	(10,670)	(6,135)	-	-
Actuarial gain / (loss) for the year on Assets	-	-	-	-

**iv) Actuarial Gain / (Loss) on obligation**

(Amount in Rupees)

	Gratuity benefits		Compensated absences	
	For the year ended		For the year ended	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Actuarial (Gain)/Loss from Change in Demographic Assumption	-	-	-	-
Actuarial (Gain)/Loss from Change in Financial Assumption	4,174	-	765	-
Actuarial (Gain)/Loss from Experience Adjustment	6,496	6,135	158	(18,195)

**v) Economic assumptions:**

The principal assumptions are the discount rate and salary growth rate. The discount rate is generally based upon the market yield available on the Government bonds at the accounting date with a term that matches that of the liabilities and the salary growth rate takes account of inflation, seniority, promotion and other relevant factors on long term basis.

(Amount in Rupees)

	As at 31 March 2019	As at 31 March 2018
Discount rate	7.18%	7.54%
Salary growth rate	7.50%	7.50%

**vi) Demographic assumptions:**

(Amount in Rupees)

	As at 31 March 2019	As at 31 March 2018
Retirement age	58 years	58 years
Mortality table	IALM (2006-08)	IALM (2006-08)
Withdrawal rates		
Upto 30 years	3%	3%
From 31 to 44	2%	2%
Above 44 years	1%	1%

These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year-end by reference to government bonds and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.



**vii) Sensitivity analysis for defined benefit obligation**

(Amount in Rupees)

	<b>Gratuity benefits</b>		<b>Compensated absences</b>	
	<b>For the year ended</b>		<b>For the year ended</b>	
	<b>31 March 2019</b>	<b>31 March 2018</b>	<b>31 March 2019</b>	<b>31 March 2018</b>
Impact of the change in discount rate				
Present value of obligation at the end of the year	373,603	319,864	69,185	60,250
- Impact due to increase of 0.50 %	(5,775)	(6,241)	(1,059)	(1,143)
- Impact due to decrease of 0.50 %	5,943	6,440	1,089	1,179
Impact of the change in salary increase				
Present value of obligation at the end of the year	373,603	319,864	69,185	60,250
- Impact due to increase of 0.50 %	5,898	6,411	1,081	1,174
- Impact due to decrease of 0.50 %	(5,784)	(6,272)	(1,061)	(1,148)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied which was applied while calculating the defined benefit obligation recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to prior period.

**viii) Maturity profile of defined benefit obligation**

(Amount in Rupees)

	<b>Gratuity benefits</b>		<b>Compensated absences</b>	
	<b>For the year ended</b>		<b>For the year ended</b>	
	<b>31 March 2019</b>	<b>31 March 2018</b>	<b>31 March 2019</b>	<b>31 March 2018</b>
Within next 12 months	<b>6,493</b>	<b>5,421</b>	<b>2,865</b>	<b>2,441</b>
Between 1-5 years	264,247	228,360	48,808	43,956
Beyond 5 years	102,863	86,083	17,512	13,853

**35** As at 31 March 2018, Company had invested Rs. 73,00,000 in 10% non-cumulative redeemable preference shares and Rs. 1,97,25,000/- in 4% non-cumulative redeemable preference shares of Allgrow finance & Investment Private Limited. Further, the Company has not recognized the interest income on these preference shares as the company does not expect to receive these interest from the investee company. This is because of current year and previous year losses of the investee company. However, as per the management, the investment is not credit impaired and company expects to receive the full amount of principal on maturity.

**36** In view of uncertainty of future taxable profits, the Company has not recognized deferred tax asset (net of deferred tax liabilities) at the year end.

**37** Balances appearing under loans & advances, trade receivables, current assets and current liabilities are subject to confirmation in certain cases.



**38 Related party disclosures**

**(a) Holding Company**

Escorts Limited

**(b) Parties with whom control exists:**

Escorts Benefit and Welfare Trust

**(c) Joint Venture and Associates**

Escorts Securities Limited (ceased to be an associate on 11 May 2018)

**(d) Key Managerial Personnel**

Mr. Pritam Narang	Whole time director
Mr. Rochak Puri	Director
Ms. Preeti Chauhan	Director
Mr. Sumit Raj	Director (with effect from 16 May 2018)
Mr. Donald Fernandez	Chief Financial Officer
Mr. Vicky Chauhan	Company Secretary

	<b>For the year ended 31 March, 2019</b>	<b>For the year ended 31 March, 2018</b>
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**39 Related party transactions**

**(a) Amount payable (outstanding at end of the year)**

Escorts Limited (Holding Company)	16,270.91	16,260.78
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**(b) Investment made (outstanding at end of the year)**

Escorts Securities Limited (ceased to be an associate on 11 May 18)	146.00	<b>146.00</b>
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**(c) Salary paid**

Mr. Donald Fernandez (Chief Financial Officer)	7.48	<b>6.86</b>
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**(d) Sitting Fee Paid**

Mr. Pritam Narang (Whole time director)	0.16	0.24
Mr. Rochak Puri (Director)	0.04	0.24
Ms. Preeti Chauhan (Director)	0.16	<b>0.24</b>
Mr. Sumit Raj (Director)	0.14	-

**40 Earning per share**

<b>Particulars</b>	<b>31 March 2019</b>	<b>31 March 2018</b>
Net profit attributable to the shareholders (Rs. in Lacs)	6.80	(97.41)
Weighted avg. number of outstanding equity shares during the year	40172500	40172500
Basic earning per share (in Rupees)	0.02	(0.24)
Diluted earning per share (in Rupees)	0.02	(0.24)

**41** The Company has a single reportable segment namely financial services (limited to recovery of loan assets) for the purpose of Ind AS-108.

**42** There are no event observed after the reported period which have an impact on the Company's operation.

**43** The figures for the previous period have been regrouped / rearranged / reclassified wherever necessary.

In terms of our report attached

**For Kapish Jain & Associates,**  
Chartered Accountants  
Firm's Registration No. 022743N

**For and on behalf of the Board of Directors**

**CA Kapish Jain**  
Partner  
Membership No. 514162

**Pritam Narang**  
Whole Time Director  
DIN: 00982418

**Sumit Raj**  
Director  
DIN: 07171298

Place: Faridabad  
Date: 04 May, 2019

**Vicky Chauhan**  
Company Secretary  
M. No.: A27729

**Donald Fernandez**  
Chief Financial Officer  
PAN AAAPF9140N





To the Members of **Escorts Finance Limited**

## **Report on the Audit of the Consolidated Financial Statements**

### **Qualified Opinion**

We have audited the accompanying consolidated financial statements of **Escorts Finance Limited** (hereinafter referred to as the "Holding Company") and its associate, which comprises the Consolidated Balance Sheet as at 31 March 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, **except for the effects of the matter described in the Basis for Qualified Opinion section of our report**, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019 and profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

### **Basis for Qualified Opinion**

***As detailed disclosure in Note 33 to the consolidated financial statements, the Company has matured unclaimed fixed deposit liability (including interest thereon) of Rs. 1085 lacs as on 31 March 2019 (Rs. 1095.13 lacs as on 31 March 2018).***

***In accordance with the Hon'ble Delhi High Court's Order / Direction dated 4th March 2011, Escorts Benefit Trust ('EBT') created by Escorts Limited (the "Holding Company"), to repay matured Fixed Deposit Liability against the claims. Presently, EBT maintains adequate funds to repay the matured unpaid fixed deposit liability, in terms of the direction of Hon'ble Delhi High Court. The remaining liability towards matured unclaimed fixed deposits is pending for deposit in Investor Education & Protection Fund.***

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

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of



the consolidated financial position, consolidated financial performance, including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Holding Company including its associate entity in accordance with accounting principles generally accepted in India, including Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Holding Company and of its associates entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Holding Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Holding Company and of its associates entity are responsible for assessing Company's ability of the Holding Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Holding Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Holding Company and of its associates entity are responsible for overseeing the company's financial reporting process of the Holding Company and of its associates entity.

#### **Auditor's Responsibilities for the Audit of Consolidated Ind AS Financial Statement**

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

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

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



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

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

### **Emphasis of Matters**

- (a) the Company had accumulated losses at the close of the financial year with its net worth continuing to stand fully eroded and, however, the financial statements have been prepared on a going concern basis for reasons explained by the management, including the possibilities of considering various options to undertake suitable business(s) and exploring the options of revival or restructuring of the Company. We have relied on the representation made to us by the management and we have considered the adequacy of the disclosure made in Note 26 to the consolidated financial statements concerning the Company's ability to continue as going concern.
- (b) the Company is no longer registered with Reserve Bank of India (RBI) as Non-Banking Financial Institution (NBFI) after cancellation of its earlier registration vide RBI letter no DNBS(NDI) S.3242/MSA/06.05.001/2015-16 dated 6th May 2016. Accordingly, the related provisions pertaining to NBFI are currently not applicable to the Company.
- (c) interest on preference shares amounting to Rs. 95 lacs (previous year Rs. 1805 lacs) pertaining to 10% Redeemable Cumulative Preference Shares of Rs. 10/- each for which no provision was made in earlier years, have been waived by the preference shareholders.
- (d) the Company had issued 10% Cumulative Redeemable Preference Shares of Rs. 10 each maturing on 30 March 2019. Due to liquidity crunch, the discharge the said liability before or on due date of redemption has not been done. The Company has received a No Objection Certificate from the preference share holder extending the maturity period of said Preference Shares for a further period of 20 years. Accordingly, the Company has filed a petition before National Company Law Tribunal (NCLT) on 29 March 2019 seeking issuance of 1% Cumulative Redeemable Preference Shares in place of said Preference Shares with new terms and conditions. This aforesaid matter is pending for hearing before NCLT.

**Our opinion is not modified in respect of these matters.**

### **Other Matters**

The consolidated financial statements include the Holding Company's share of net profit of Rs. 3.30 lacs for the year ended 31 March 2019, as considered in the consolidated financial statements, in respect of one associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial



statements, in so far as it relates to the amounts and disclosures included in respect of this associate, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

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

As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of change in equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- (e) The matter described in sub-paragraph (a) under the Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
- (f) On the basis of the written representations received from the directors of Holding Company as on 31 March 2019 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of the associate company incorporated in India, none of the directors of the Holding Company and its associate is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- (g) With respect to the adequacy of the Internal Financial Control with reference to Financial Statements of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Holding Company has disclosed the impact of pending litigations on its financial position in its consolidated financial statements – Refer Note 22(c) to the consolidated financial statements;
  - ii. The Holding Company and its associate did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. The Holding Company has not deposited amount of Rs. 1085.00 lacs to the Investor Education and Protection Fund against unpaid fixed deposit liabilities including interest thereon as referred to in Note 33 to the consolidated financial statements.

**For Kapish Jain & Associates**  
Chartered Accountants  
Firm Registration Number 022743N

Sd/-

**CA Kapish Jain**  
Partner

Membership No. 514162

Place: Faridabad  
Date: 4 May 2019

**ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in clause (g) under "Report on Other Legal and Regulatory Requirements" section of the Independent Auditor's Report of even date to the members of Escorts Finance Limited on the consolidated financial statements for the year ended 31 March 2019)

**Independent Auditor's Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the Consolidated financial statements of the Company as of and for the year ended 31 March 2019, we have audited the internal finance controls over financial reporting of ESCORTS FINANCE LIMITED (hereinafter referred to as "the Holding Company") and its associate company, which are companies incorporated in India, as of that date.

**Management's Responsibility for Internal Financial Controls**

The respective Boards of Directors of the Holding Company and its associate company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by the Institute of Chartered Accountants of India ("ICAI") and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal financial controls over financial reporting and their operating effectiveness. Our audit of Internal financial controls over financial reporting included obtaining an understanding of Internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's Internal financial controls over financial reporting.

In relation to an associate company, although the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis of opinion on associate company.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of Internal Financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected, Also projections of any evaluation of the internal financial controls over financial reporting to future period are subject to the risk that Internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Holding Company and its associate company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls systems over financial reporting and such internal financial controls systems over financial reporting were operating effectively as at 31 March 2019, based on internal financial controls systems over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of internal financial controls systems over financial reporting issued by the Institute of Chartered Accountants of India.

**Other Matters**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to an associate company, which is incorporated in India, is based on the corresponding report of the auditors of such company. Our opinion is not qualified in respect of this matter.

Place: Faridabad  
Date: 4 May 2019

**For Kapish Jain & Associates**  
Chartered Accountants  
Firm Registration Number 022743N

Sd/-  
**CA Kapish Jain**  
Partner  
Membership No. 514162

# CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2019



(All amounts in Lacs unless stated otherwise)

Particulars	Note No.	As at 31 March, 2019	As at 31 March, 2018
<b>Assets</b>			
<b>1 Non-current assets</b>			
a. Property, plant and equipment	3	0.11	0.11
b. Other intangible assets	4	0.09	0.09
c. Financial assets			
i. Investments	5	284.26	271.38
ii. Other financial assets	6	-	-
d. Other non-current assets	7	118.41	132.28
e. Income tax assets		60.19	60.19
		<b>463.06</b>	<b>464.05</b>
<b>2 Current assets</b>			
a. Financial assets			
i. Investments	5	-	-
ii. Trade receivables	8	-	-
iii. Cash and cash equivalents	9	5.00	31.21
iv. Other financial assets	6	4.30	4.07
b. Other current assets	7	14.76	13.36
		<b>24.06</b>	<b>48.64</b>
		<b>487.12</b>	<b>512.69</b>
<b>Total assets</b>			
<b>Equity and liabilities</b>			
<b>1 Equity</b>			
a. Equity share capital	10	4,017.25	4,017.25
b. Other equity			
i. Retained earnings	11	(21,867.34)	(21,835.15)
		<b>(17,850.09)</b>	<b>(17,817.90)</b>
<b>2 Liabilities</b>			
<b>Non-current liabilities</b>			
a. Financial liabilities			
i. Borrowings	12	-	-
ii. Other financial liabilities	13	14,777.09	14,766.97
b. Provisions	14	4.33	3.68
		<b>14,781.42</b>	<b>14,770.65</b>
<b>Current liabilities</b>			
a. Financial liabilities			
i. Borrowings	12	950.00	950.00
ii. Other financial liabilities	13	2,594.14	2,597.87
b. Provisions	14	0.09	0.07
c. Current tax liabilities		9.73	9.73
d. Other current liabilities	15	1.83	2.27
		<b>3,555.79</b>	<b>3,559.94</b>
		<b>18,337.21</b>	<b>18,330.59</b>
		<b>487.12</b>	<b>512.69</b>
<b>Total liabilities</b>			
<b>Total equity and liabilities</b>			

See accompanying notes to the consolidated financial statements

In terms of our report attached

**For Kapish Jain & Associates,**  
Chartered Accountants  
Firm's Registration No. 022743N

**For and on behalf of the Board of Directors**

**CA Kapish Jain**  
Partner  
Membership No. 514162

**Pritam Narang**  
Whole Time Director  
DIN: 00982418

**Sumit Raj**  
Director  
DIN: 07171298

Place: Faridabad  
Date: 04 May, 2019

**Vicky Chauhan**  
Company Secretary  
M. No.: A27729

**Donald Fernandez**  
Chief Financial Officer  
PAN AAAPF9140N

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2019**


(All amounts in Lacs unless stated otherwise)

Particulars	Note No.	For the year ended 31 March, 2019	For the year ended 31 March, 2018
<b>I</b> Revenue from operations	16	4.71	15.90
<b>II</b> Other income	17	36.36	165.71
<b>III Total income</b>		<b>41.07</b>	<b>181.61</b>
<b>IV Expenses</b>			
Employee benefits expense	18	14.61	13.25
Depreciation and amortisation expense	19	-	-
Finance cost	20	0.01	0.01
Other expenses	21	22.94	279.37
<b>Total expenses (IV)</b>		<b>37.56</b>	<b>292.63</b>
<b>V Profit / (Loss) before share of profit / (loss) of an Associates and tax (III-IV)</b>		<b>3.51</b>	<b>(111.02)</b>
<b>VI Share of profit / (loss) of an Associates</b>		<b>3.30</b>	<b>0.01</b>
<b>VII Loss before Tax (V-VI)</b>		<b>6.81</b>	<b>(111.01)</b>
<b>VIII Tax expense</b>			
Current tax		-	-
Deferred tax credit	35	-	-
Tax adjustment of past years		-	178.80
		<b>-</b>	<b>178.80</b>
<b>IX Profit/(Loss) for the period (VII-VIII)</b>		<b>6.81</b>	<b>67.79</b>
<b>X Other comprehensive income</b>			
Items that will not be reclassified to profit and loss		(38.99)	(0.06)
Income Tax relating to Items that will not be reclassified to profit and loss		-	-
<b>XI Total comprehensive income for the period (IX+X)</b>		<b>(32.18)</b>	<b>67.73</b>
<b>XII Earning per equity share</b>			
Equity shares of face value Rs. 10 each			
Basic	39	0.02	0.17
Diluted	39	0.02	0.17

**See accompanying notes to the consolidated financial statements**

In terms of our report attached

**For Kapish Jain & Associates,**  
 Chartered Accountants  
 Firm's Registration No. 022743N

**For and on behalf of the Board of Directors**
**CA Kapish Jain**  
 Partner  
 Membership No. 514162

**Pritam Narang**  
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 DIN: 00982418

**Sumit Raj**  
 Director  
 DIN: 07171298

 Place: Faridabad  
 Date: 04 May, 2019

**Vicky Chauhan**  
 Company Secretary  
 M. No.: A27729

**Donald Fernandez**  
 Chief Financial Officer  
 PAN AAAPF9140N



# STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2019



(All amounts in Lacs unless stated otherwise)

## A. Equity share capital

Particulars	No. of shares	Amount
Equity shares of Rs. 10 each issued and subscribed		
<b>Balance as at 1 April 2017</b>	<b>40,250,000</b>	<b>4,017.25</b>
Issue of equity share capital	-	-
<b>Balance as at 31 March 2018</b>	<b>40,250,000</b>	<b>4,017.25</b>
Issue of equity share capital	-	-
<b>Balance as at 31 March 2019</b>	<b>40,250,000</b>	<b>4,017.25</b>

## B. Other equity

Particulars	Retained earnings	Equity instruments through other comprehensive income	Total
<b>Balance as at 1 April 2017</b>	<b>(21,902.88)</b>	-	<b>(21,902.88)</b>
Profit for the year	67.79	-	67.79
Remeasurement benefit of defined benefit plans	(0.06)	-	(0.06)
Other comprehensive income for the year, net of income tax	-	-	-
<b>Balance as at 31 March 2018</b>	<b>(21,835.15)</b>	-	<b>(21,835.15)</b>
Profit for the year	6.81	-	6.81
Remeasurement benefit of defined benefit plans	(0.11)	-	(0.11)
Other comprehensive income for the year, net of income tax	-	(38.89)	(38.89)
<b>Balance as at 31 March 2019</b>	<b>(21,828.45)</b>	<b>(38.89)</b>	<b>(21,867.34)</b>

See accompanying notes to the financial statements

In terms of our report attached

**For Kapish Jain & Associates,**  
Chartered Accountants  
Firm's Registration No. 022743N

**For and on behalf of the Board of Directors**

**CA Kapish Jain**  
Partner  
Membership No. 514162

**Pritam Narang**  
Whole Time Director  
DIN: 00982418

**Sumit Raj**  
Director  
DIN: 07171298

Place: Faridabad  
Date: 04 May, 2019

**Vicky Chauhan**  
Company Secretary  
M. No.: A27729

**Donald Fernandez**  
Chief Financial Officer  
PAN AAAPF9140N

**CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH, 2018**


(All amounts in Lacs unless stated otherwise)

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
<b>A. Cash flow from operating activities</b>		
<b>Profit/(loss) after tax</b>	(32.18)	67.73
<b>Adjustments for :</b>		
Share of (Profit)/Loss of an Associates	-	(0.01)
Income tax expense recognised in profit or loss	-	(178.80)
Depreciation of plant, property and equipment	-	-
Excess provision written back	1.72	(13.80)
Provision for Gratuity & Leave Encashment	0.56	0.29
Finance cost	0.01	0.01
	(29.89)	(124.58)
<b>Changes in assets and liabilities</b>		
(Increase)/decrease in other financial assets and inventory	(0.23)	(0.23)
(Increase)/decrease in trade receivables	(1.72)	13.80
(Increase)/decrease in other assets	(0.42)	255.21
Increase/(decrease) in trade payable	-	-
Increase/(decrease) in other liabilities	16.19	(13.78)
<b>Cash generated from operating activities</b>	<b>(16.07)</b>	<b>130.42</b>
Financial Expenses	(0.01)	(0.01)
<b>Net cash generated from operating activities</b>	<b>(16.08)</b>	<b>130.41</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of property, plant and equipment	-	-
Sale of Investment	-	324.75
Investment made	-	(416.25)
<b>Net cash generated from/(used in) investing activities</b>	-	<b>(91.50)</b>
<b>C. Cash flows from financing activities</b>		
Increase/(Decrease) in Fixed Deposits (matured/inclained)	(10.13)	(37.44)
<b>Net cash generated from/(used in) financing activities</b>	<b>(10.13)</b>	<b>(37.44)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(26.21)</b>	<b>1.47</b>
Cash and cash equivalents at the beginning of year	31.21	29.74
<b>Cash and cash equivalents at the end of year</b>	<b>5.00</b>	<b>31.21</b>

- 1) The statement of cash flow has been prepared under the indirect method as set out in Ind AS 7 on statements of cash flow.
  - 2) Figures in brackets indicate cash outflow.
- See accompanying notes to the financial statements

In terms of our report attached

**For Kapish Jain & Associates,**  
Chartered Accountants  
Firm's Registration No. 022743N

**CA Kapish Jain**  
Partner  
Membership No. 514162

Place: Faridabad  
Date: 04 May, 2019

**For and on behalf of the Board of Directors**

**Pritam Narang**  
Whole Time Director  
DIN: 00982418

**Vicky Chauhan**  
Company Secretary  
M. No.: A27279

**Sumit Raj**  
Director  
DIN: 07171298

**Donald Fernandez**  
Chief Financial Officer  
PAN AAAPF9140N



## 1 Corporate Information

Escorts Finance Limited "the Company" is a public company incorporated under Indian Companies Act, 1956 having its registered office at Chandigarh. The Company is a listed company at Bombay Stock Exchange. The registered office of the company is located at SCO 64-65, Third Floor, Sector-17A, Chandigarh-160017, India. The Company's CIN is L65910CH1987PLC033652.

The consolidated financial statements as at 31 March 2019 present the financial position of the group as well as its interests in associate companies.

The list of Associate, which are included in the consolidation and the Company's holding therein are as under:

Name of Company	Ownership in %		Country of Incorporation
	As at 31.03.2019	As at 31.03.2018	
<b>Incorporation</b>			
<b>Associates</b>			
Escorts Securities Limited	10.857%	20.857%	India

## 2 Significant Accounting Policies :

### 2.1 Statement of compliance

These consolidated financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), the provisions of the Companies Act, 2013 ("the Companies Act"), as applicable and guidelines issued by the Securities and Exchange Board of India ("SEBI"). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The consolidated financial statements correspond to the classification provisions contained in Ind AS 1, "Presentation of Financial Statements". For clarity, various items are aggregated in the consolidated statements of profit and loss and consolidated balance sheet. These items are disaggregated separately in the notes to the consolidated financial statements, where applicable.

Accounting policies have been applied consistently to all periods presented in these consolidated financial statements.

### 2.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company, i.e. its subsidiaries. They also include the Group's share of profits, net assets and retained post acquisition reserves of associates that are consolidated using the equity method of consolidation. Control is achieved when the Company is exposed to, or has rights to the variable returns of the equity and the ability to affect those returns through its power over the entity.

The result of subsidiaries and associates acquired or disposed of during the year are included in the consolidated statement of profit and loss from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Intra-group transactions, balances, incomes and expenses are eliminated on consolidation.

Non-controlling interest in the assets (excluding goodwill) of consolidated subsidiaries are identified separately from the Company's equity. The interest of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition, plus the non-controlling interests' share of subsequent change in equity. Total comprehensive income is attributed to non-controlling interests even if it results in the non-controlling interest having a deficit balance.

### 2.3 Investment in associates

Associates are those enterprises in which the group has significant influence, but does not have control.

Investments in associates are accounted for under the equity method and are initially recognized at cost, from the date that significant influence commences until the date that significant influence ceases. Subsequent changes in the carrying value reflect the post acquisition changes in the groups' share of net assets of the associate.



## 2.4 Current versus non-current classification

The Company presents assets and liabilities in the consolidated balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

## 2.5 Basis of preparation and presentation

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

## 2.6 Use of estimates

The preparation of these consolidated financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the consolidated financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected



Key source of estimation of uncertainty at the date of the consolidated financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of valuation of deferred tax assets and provisions and contingent liabilities.

#### **Valuation of deferred tax assets**

In view of uncertainty of future taxable profits, the Company has not recognized deferred tax asset (net of deferred tax liabilities) at the year end.

### **2.7 Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The specific recognition criteria described below must also be met before revenue is recognised:

- a) Income is recognized on accrual basis except income related to non-performing assets, which is accounted on cash basis in accordance with prudential norms of Reserve Bank of India.
- b) The Company has adopted Implicit Rate of Return (IRR) method of accounting in respect of finance charges income for hire purchase/loan transactions. As per this method, the IRR involved in each hire purchase/loan transaction is recognized and finance charges calculated by applying the same on outstanding principal financed thereby establishing equitable distribution of income over the period of the agreement.
- c) Interest on overdue installments is accounted for on receipt basis.
- d) Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.
- e) Dividend income is recognised at the time when right to receive the payment is established, which is generally when the shareholders approve the dividend.

### **2.8 Foreign currencies**

The functional currency of the Company is Indian rupee (Rs.).

Income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognised in the consolidated statement of profit and loss.

### **2.9 Employee benefits**

The Company provides post-employment benefits through various defined contribution and defined benefit plans.

#### **2.9.1 Defined contribution plans**

A defined contribution plan is a plan under which the Company pays fixed contributions into an independent fund administered by the government. The Company has no legal or constructive obligations to pay further contributions after its payment of the fixed contribution, which are recognised as an expense in the year in which the related employee services are received.

#### **2.9.2 Defined benefit plans**

The defined benefit plans sponsored by the Company define the amount of the benefit that an employee will receive on completion of services by reference to length of service and last drawn salary. The legal obligation for any benefits remains with the Company.

Gratuity is post-employment benefit and is in the nature of a defined benefit plan. The liability recognised in the financial statements in respect of gratuity is the present value of the defined benefit obligation at



the reporting date, together with adjustments for unrecognised actuarial gains or losses and post service costs. The defined benefit obligation is calculated at or near the reporting date by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to the statement of OCI in the year in which such gains or losses are determined.

#### **Other long-term employee benefits**

Liability in respect of compensated absences becoming due or expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to the statement of OCI in the year in which such gains or losses are determined.

#### **Short-term employee benefits**

Expenses in respect of other short term benefits is recognised on the basis of the amount paid or payable for the period during which services are rendered by the employee.

### **2.10 Taxation**

Income tax expense represents the sum of the tax currently payable and deferred tax.

#### **2.10.1 Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

#### **2.10.2 Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

#### **2.10.3 Current and deferred tax for the year**

Current and deferred tax are recognised in consolidated statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.



### 2.11 Inventories

Repossessed assets are valued at the end at lower of book value or net realizable value as certified by the management of the Company.

### 2.12 Property plant and equipment

The Company has elected to continue with the carrying value of all of its plant and equipment (including freehold land) as at the transition date, viz., 1 April 2015 measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Property plant and equipment and capital work in progress are stated at cost of acquisition or construction net of accumulated depreciation and impairment loss (if any).

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the Consolidated Statement of Profit and Loss during the financial period in which they are incurred.

Depreciation is computed on Straight Line Method ('SLM') based on estimated useful lives as determined by internal assessment of the assets in terms of Schedule of II to the Companies Act, 2013.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

No further charge is provided in respect of assets that are fully written down but are still in use.

### 2.13 Intangible assets

Development of property (website) and software costs are included in the consolidated balance sheet as intangible assets, when they are clearly linked to long term economic benefits for the Company. These are measured initially at purchase cost and then amortised on a straight-line basis over their estimated useful lives.

### 2.14 Impairment of tangible and intangible assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the consolidated statement of profit and loss.

### 2.15 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).



When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

## 2.16 Financial Instruments

### A. Initial recognition

Financial assets and financial liabilities are recognised when a Company entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in consolidated statement of profit or loss.

#### Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

### B. Subsequent measurement

#### I. Non-derivative financial instruments

##### a. Financial assets carried at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### b. Financial assets at fair value through other comprehensive income

Investment in equity instruments (other than subsidiaries / associates / joint ventures) - All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are generally classified at fair value through profit and loss (FVTPL). For all other equity instruments, the Company decides to classify the same either at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL). The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the other comprehensive income (OCI). There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Dividends on such investments are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

##### c. Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in consolidated statement of profit or loss.



**d. Financial liabilities**

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

**II. Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

**C. Derecognition of financial instruments**

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Consolidated Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

**2.17 Fair value of financial instruments**

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realised.

**2.18 Impairment of financial assets (other than at fair value)**

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.



(All amounts in Lacs unless stated otherwise)

**3 Property, plant and equipment**

	<b>As at 1 April 2018</b>	<b>Additions</b>	<b>Adjustments</b>	<b>Deletions</b>	<b>As at 31 March 2019</b>
<b>Cost</b>					
Furniture and fixtures	1.37	-	-	-	1.37
Office equipment	14.51	-	-	-	14.51
<b>Total</b>	<b>15.88</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15.88</b>
<b>Depreciation</b>					
Furniture and fixtures	1.35	-	-	-	1.35
Office equipment	14.42	-	-	-	14.42
<b>Total</b>	<b>15.77</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15.77</b>
<b>Carrying amounts</b>					
Furniture and fixtures	0.02	-	-	-	0.02
Office equipment	0.09	-	-	-	0.09
<b>Total</b>	<b>0.11</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.11</b>

**Verificaiton of property, plant & equipment**

Refer Note 24 for physical verification of property, plant and equipment carried out during the year.

**Depreciation of property, plant & equipment**

Refer Note 25 for depreciation of property, plant and equipment.

**4 Intangible assets**

	<b>As at 1 April 2018</b>	<b>Additions</b>	<b>Adjustments</b>	<b>Deletions</b>	<b>As at 31 March 2019</b>
<b>Cost</b>					
Website Development	0.53	-	-	-	0.53
<b>Total</b>	<b>0.53</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.53</b>
<b>Depreciation</b>					
Website Development	0.44	-	-	-	0.44
<b>Total</b>	<b>0.44</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.44</b>
<b>Carrying amounts</b>					
Website Development	0.09	-	-	-	0.09
<b>Total</b>	<b>0.09</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.09</b>

**Amortisation of intangible assets**

Refer Note 25 for amortisation of intangible assets.



(All amounts in Lacs unless stated otherwise)

5 Investments

	As at 31 March, 2019	As at 31 March, 2018
<b>Non-current investments</b>		
<b>Investment carried at cost</b>		
<b>Subsidiary Companies</b>	-	-
<b>Associates</b>		
Fully paid equity shares (unquoted)	-	146.01
<b>Investment carried at fair value through OCI</b>		
Fully paid equity shares (unquoted)	146.29	-
<b>Investment carried at amortised cost</b>		
Preference shares	137.97	125.37
	<b>284.26</b>	<b>271.38</b>
<b>Current investments</b>		
Fully paid equity shares (unquoted)	7.42	7.42
Less: Provision for Diminution in Value of Trade Investments	7.42	7.42
	-	-
<b>Details of investments is as follows</b>		
<b>Non-current investments</b>		
<b>Associates (in equity instruments - unquoted) - At Cost</b>		
Escorts Securities Limited *		
NIL Equity Shares of Rs.10/- each (31 March 2018 : 14,60,000 Shares)	-	146.01
	-	<b>146.01</b>
<b>Others (in equity instruments - unquoted) - At Fair Value</b>		
Escorts Securities Limited *		
14,60,000 Equity Shares of Rs.10/- each (31 March 2018 : NIL)	146.29	-
	<b>146.29</b>	-
<b>Others (in preference shares) - At Amortised Cost</b>		
All Grow Finance & Investment Private Limited 7,30,000 10% non-cumulative redeemable Preference Shares of Rs. 10/- each; Redeemable on or before 26.03.2035 (31st March 2018 : 7,30,000 shares)	15.77	14.33
All Grow Finance & Investment Private Limited 1,97,250 4% non- cummulative redeemable Preference Shares of Rs. 100/- each; Redeemable on or before 04.07.2023 (31 March 2018 : 1,97,250 Shares)	122.20	111.04
	<b>137.97</b>	<b>125.37</b>
<b>Current investments</b>		
<b>Others (in equity instruments - unquoted) - At Cost</b>		
Escorts Consumer Credit Limited 1,90,000 Equity Shares of Rs. 10/- each (31 March 2018 : 1,90,000)	0.02	0.02
G.R. Solvents & Allied Insutries Limited 92,485 Equity Shares of Rs.10/- each (31 March 2018: 92,485)	7.40	7.40
	<b>7.42</b>	<b>7.42</b>

\* As on 11 May 2018, Escorts Securities Limited has ceased to be an associate of the Company. Hence value of investment in equity instruments of Escorts Securities Limited are measured at Fair Value in accordance with Ind-AS 109 as on the date of balance sheet.



(All amounts in Lacs unless stated otherwise)

**6 Other financial assets**

	As at 31 March, 2019	As at 31 March, 2018
<b>Non-current other financial assets</b>		
<b>Unsecured; considered doubtful</b>		
Loans and Advances *	253.82	253.82
Less: Provision for bad & doubtful loan & advances	253.82	253.82
	-	-
<b>Current financial assets</b>		
Security deposits	3.73	3.73
Accrued interest	0.57	0.34
	<b>4.30</b>	<b>4.07</b>

**7 Other assets**

**Other non-current assets**

Prepaid expenses	118.41	132.28
	<b>118.41</b>	<b>132.28</b>

**Other current assets**

(Unsecured; considered good unless otherwise stated)

Advances with public bodies	0.14	0.14
Prepaid expenses	14.12	12.72
Other loans and advances	0.50	0.50
	<b>14.76</b>	<b>13.36</b>

**8 Trade receivables**

**Unsecured**

i. Considered good	-	-
ii. Considered doubtful <sup>§</sup>	703.14	704.86
	<b>703.14</b>	<b>704.86</b>
Less: Provision for bad and doubtful trade receivables	703.14	704.86
	-	-

<sup>§</sup> Refer Note 29 for doubtful trade receivables.

**9 Cash and cash equivalents**

Cash on hand #	-	-
Balances with banks In current accounts	5.00	31.21
	<b>5.00</b>	<b>31.21</b>

# Amount is less than one thousand rupees.

(All amounts in Lacs unless stated otherwise)

**10 Share capital**

	As at 31 March, 2019		As at 31 March, 2018	
	No. of shares	Amount	No. of shares	Amount
<b>Authorised share capital</b>				
<b>Equity shares</b>				
Equity shares of Rs. 10 each	40,500,000	4,050.00	40,500,000	4,050.00
	<b>40,500,000</b>	<b>4,050.00</b>	<b>40,500,000</b>	<b>4,050.00</b>
<b>Issued, subscribed and fully paid up</b>				
<b>Equity shares</b>				
Equity shares of Rs. 10 each	40,250,000	4,025.00	40,250,000	4,025.00
Less: Allotment money in arrears from others		7.75		7.75
<b>Total</b>	<b>40,250,000</b>	<b>4,017.25</b>	<b>40,250,000</b>	<b>4,017.25</b>



(All amounts in Lacs unless stated otherwise)

**(a) Reconciliation of number of shares**

**Equity share capital**

	As at 31 March, 2019		As at 31 March, 2018	
	No. of shares	Amount	No. of shares	Amount
Balance as at the beginning of the year	40,250,000	4,017.25	40,250,000	4,017.25
Add: Increase during the period	-	-	-	-
Balance as at the end of the year	<b>40,250,000</b>	<b>4,017.25</b>	<b>40,250,000</b>	<b>4,017.25</b>

**(b) Rights/ preferences/ restrictions attached to equity shares**

The Company has one class of equity shares having a par value of Rs. 10 per Share. Each Shareholder is eligible for one vote per share held. The dividend proposed (if any) by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend(if any). In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**(c) Details of shareholders holding more than 5% shares in the Company**

**Name of shareholder**

Name of shareholder	As at 31 March, 2019		As at 31 March, 2018	
	No of shares	% holding	No of shares	% holding
Escorts Benefit and Welfare Trust	23,497,478	58.38%	23,497,478	58.38%
Escorts Limited	3,819,700	9.49%	3,819,700	9.49%
Allgrow Finance and Investment Private Limited	2,155,908	5.36%	-	-

**11 Other Equity**

	As at 31 March, 2019	As at 31 March, 2018
<b>Securities Premium Reserve</b>	<b>2,643.83</b>	<b>2,643.83</b>
<b>Special Reserve</b>	<b>1,115.00</b>	<b>1,115.00</b>
<b>General Reserve</b>	<b>30.37</b>	<b>30.37</b>
<b>Retained Earning</b>		
Balance at beginning of the year	(25,624.29)	(25,692.08)
Add: Profit/(Loss) for the year	6.81	67.79
Balance at closing of the year	<b>(25,617.48)</b>	<b>(25,624.29)</b>
<b>Other Comprehensive Income, Net of Tax</b>		
Equity instruments measured at fair value through other comprehensive income		
Balance at beginning of the year	-	-
Add: Changes during the year	(38.89)	-
Balance at closing of the year	<b>(38.89)</b>	-
Re-measurements of defined employee benefit plans		
Balance at beginning of the year	(0.06)	-
Add: Changes during the year	(0.11)	(0.06)
Balance at closing of the year	(0.17)	(0.06)
<b>Balance at the end of 31 March 2019</b>	<b>(21,867.34)</b>	<b>(21,835.15)</b>

**Nature and purpose of reserves:**

**Other comprehensive income (OCI)**

- The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.
- The Company has recognised remeasurement of defined benefits plans through other comprehensive income.



(All amounts in Lacs unless stated otherwise)

**12 Borrowings**

	As at 31 March, 2019	As at 31 March, 2018
<b>Non-Current Borrowings</b>	-	-
<b>Current Borrowings</b>		
<b>Preference shares</b>		
95,00,000 10% Redeemable Cumulative Preference Shares of Rs. 10 each (31 March 2018 : 95,00,000)	950.00	950.00
	<b>950.00</b>	<b>950.00</b>

Refer Note 30 for filing of petition before NCLT to extend the maturity period which were due for redemption on 30 March 2019.

Refer Note 31 for wavier of outstanding interest on preference shares as on balance sheet date.

**13 Other Financial Liability**

**Other Non-Current Financial Liability**

a. FD Redemption through Court approved arrangements *	14,777.09	14,766.97
	<b>14,777.09</b>	<b>14,766.97</b>

**Other Current Financial Liability**

a. Matured / Unclaimed fixed deposits and interest thereon ^	1,085.00	1,095.13
b. Other payable	1,509.14	1,502.74
	<b>2,594.14</b>	<b>2,597.87</b>

\* Refer Note 32 for amount repaid to its unclaimed/unpaid matured fixed deposits by Escorts Limited to bail out the liability of the Company under the directions of Hon'ble Delhi High Court.

^ Refer Note 33 for remaining liability towards unclaimed matured fixed deposits liability including interest thereon and the same is pending for deposit in Investor Education & Protection Fund.

**14 Provisions**

**Non-current Provisions**

**Provision for employee benefits**

a. Provision for gratuity	3.67	3.11
b. Provision for compensated absences	0.66	0.57
	<b>4.33</b>	<b>3.68</b>

**Current Provisions**

**Provision for employee benefits**

a. Provision for gratuity	0.06	0.05
b. Provision for compensated absences	0.03	0.02
	<b>0.09</b>	<b>0.07</b>

Refer Note 40 for disclosures on employee benefits.

**15 Other current liabilities**

Statutory dues payable	1.83	2.27
	<b>1.83</b>	<b>2.27</b>

**16 Revenue from operations**

	For the year ended 31 March, 2019	For the year ended 31 March, 2018
<b>Other operating revenue</b>		
a. Bad Debts Recovered	1.85	1.26
b. Overdue Interest	1.14	0.84
c. Provisions for doubtful debts/ advances written back	1.72	13.80
	<b>4.71</b>	<b>15.90</b>



**(All amounts in Lacs unless stated otherwise)**

	<b>For the year ended 31 March, 2019</b>	<b>For the year ended 31 March, 2018</b>
<b>17 Other income</b>		
a. Interest income	0.23	0.26
b. Other income	0.26	0.26
c. Gain on account of cessation of rights in an associates*	35.87	165.19
	<b>36.36</b>	<b>165.71</b>
* Impact of share valued at NAV as on the date of cessation (i.e. 11 May 2018) of rights in an associates named Escorts Securities Limited (Previous Year : Gain on account of cessation of rights in Escorts Assets Management Limited)		
<b>18 Employee benefits expense</b>		
a. Salary, wages and bonus	14.05	12.55
b. Contribution to provident and other funds	0.55	0.50
c. Staff welfare expenses	0.01	0.20
	<b>14.61</b>	<b>13.25</b>
<b>19 Depreciation and amortisation expense</b>		
a. Depreciation of plant, property and equipment	-	-
b. Amortisation of intangible assets	-	-
	-	-
<b>20 Finance cost</b>		
a. Bank Charges	0.01	0.01
	<b>0.01</b>	<b>0.01</b>
<b>21 Other expenses</b>		
a. Rates and taxes	0.16	0.30
b. Legal and professional	4.35	5.05
c. Repair and maintenance - others	0.11	0.09
d. Printing & Stationary	0.14	0.15
e. Travelling and conveyance	0.96	0.44
f. Advertisement & Publicity	0.94	0.92
g. Postage & Telephone	2.10	0.37
h. Payments to auditors (see Note 'A' below)	2.51	2.77
i. Director's Sitting Fees	0.50	0.72
j. Bad debts written off	-	1,361.20
Less: Provision already held	-	(1,358.47)
k. AGM Expenses	5.42	5.36
l. Fee & Subscription	4.78	4.53
m. Claim / Compensation paid	-	-
n. Miscellaneous expenses	0.97	1.29
o. EGM Expenses	-	0.83
p. Provision for Doubtful Advances	-	253.82
	<b>22.94</b>	<b>279.37</b>
<b>Note:</b>		
A. Payments to auditors		
(i) Audit Fees	2.36	2.36
(ii) Other Services	-	0.26
(iii) Out of pocket expenses	0.15	0.15
	<b>2.51</b>	<b>2.77</b>



**22 Commitments and contingencies**

- a. The estimated amount of contracts remaining to be executed on capital amount and not provided for (net of advances) amount to Rs. Nil (31 March 2018: Rs. Nil).
- b. The Company has other commitments, for purchase of goods and services and employee benefits, in normal course of business. The Company does not have any long-term commitments/contracts including derivative contracts for which there will be any material foreseeable losses.
- c. Contingent liabilities \*
  - (i) Sales tax demands against the Company not acknowledged as debt and not provided for in respect of which the Company is in appeal is Rs. 2.93 lacs (Previous Year Rs.2.93 lacs).
  - (ii) Claims/demands under litigation against the Company not acknowledged as debt and not provided for in the books. Amount is presently not ascertainable.

*\* The provisions and the disclosures with regard to matters under litigations have been made based upon the management representation/estimates.*
- 23** The Company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure relating to amounts unpaid as at balance sheet date together with interest paid / payable under this Act has not been given.
- 24** During the year, the Company had conducted physical verification of its property, plant and equipment in order to ensure their location, existence and assess their working condition. No discrepancies have been reported during such verification.
- 25** All the property, plant & equipment and intangible assets of the Company are fully depreciated in accordance with the provisions of Companies Act, 2013. The minimum residual value is carried in books of accounts.
- 26** The Company had accumulated losses as at the close of the financial year with its net worth continuing to stand fully eroded. Presently, the Company continues to focus on recovery of old delinquent loan assets through settlement/ compromise /legal action etc. arising out of it's earlier NBFC business. The financial information in these financial statements has been prepared on a going concern basis, which assumes that the Company will continue it's operational existence in the foreseeable future as the management of the company is considering various options to undertake suitable business(s) and is also exploring the options of revival or restructuring of the Company. After review of the future operational business options of the Company, management believes the Company would garner required funds to continue as a going concern for the foreseeable future. Moreover, before the date of signing of financials, the Company has rendered the facility management services subsequent to the balance sheet date, which may be considered as an adequate evidence about the Company's ability to continue as a going concern.
- 27** The Company is no longer registered with Reserve Bank of India (RBI) as Non Banking Financial Institution (NBFI) after cancellation of it's earlier registration vide RBI letter no DNBS(NDI) S.3242/MSA/06.05.001/2015-16 dated 6th May 2016. Accordingly, the related provisions pertaining to NBFI are currently not applicable to the Company.
- 28** In opinion of the Board, the loans & advances (net of related provisions) and other current assets have a value, which if realized in the ordinary course of business, will not be less than the value stated in the Consolidated Balance Sheet.
- 29** Trade receivables amounting to Rs. 703.14 lacs (Previous Year Rs. 704.86 lacs) represents cases against which legal actions/ settlements/compromises for recovery are in process. However, full provision is held against such receivables.
- 30** The Company had issued 10% Cumulative Redeemable Preference Shares of Rs. 10 each maturing on 30 March 2019. Due to liquidity crunch, the discharge of the said liability before or on due date of redemption has not been done. The Company has received a No Objection Certificate from the preference share holder extending the maturity period of said Preference Shares for a further period of 20 years. Accordingly, the Company has filed a petition before National Company Law Tribunal (NCLT) on 29 March 2019 seeking issuance of 1% Cumulative Redeemable Preference Shares in place of said Preference Shares with new terms and conditions. Since the aforesaid matter is pending for hearing before NCLT, this liability has been classified under current borrowing as on 31 March 2019.
- 31** Interest on preference shares amounting to Rs. 95 lacs (previous year Rs. 1805 lacs) pertaining to 10% Redeemable Cumulative Preference Shares of Rs. 10/- each for which no provision was made in earlier years, have been waived by the preference shareholders.
- 32** The Company is a subsidiary of M/s Escorts Limited (the "Holding Company"). The Holding Company bailed out the liability of the Company towards its unclaimed/unpaid matured fixed deposits from time to time since 2007 in terms of a Scheme of Arrangement and Compromise filed before the Hon'ble Delhi High Court. Accordingly, the amount repaid to the fixed deposit holders under the directions of the Court to the extent of Rs. 14,777.09 lacs as on 31 March 2019 (Rs. 14,766.97 lacs as on 31 March 2018) has been shown as "FD Redemption through Court approved arrangements" under "Non-Current Financial Liabilities".
- 33** M/s Escorts Benefit Trust (EBT) created by Escorts Limited maintains adequate funds to repay the matured unpaid fixed deposit liability, in terms of the direction of Hon'ble Delhi High Court. During the year ended 31 March 2019, EBT has settled the claims to the extent of Rs. 10.13 lacs by repayment to respective fixed deposit holders. The remaining





liability towards unclaimed fixed deposits and interest thereon is Rs. 1085.00 lacs as on 31 March 2019 (Rs. 1095.13 lacs as on 31 March 2018) and the same is pending for deposit in Investor Education & Protection Fund.

- 34** As at 31 March 2018, Company had invested Rs. 73,00,000 in 10% non-cumulative redeemable preference shares and Rs. 1,97,25,000/- in 4% non-cumulative redeemable preference shares of Allgrow finance & Investment Private Limited. Further, the Company has not recognized the interest income on these preference shares as the company does not expect to receive these interest from the investee company. This is because of current year and previous year losses of the investee company. However, as per the management, the investment is not credit impaired and company expects to receive the full amount of principal on maturity.
- 35** In view of uncertainty of future taxable profits, the Company has not recognized deferred tax asset (net of deferred tax liabilities) at the year end.
- 36** Balances appearing under loans & advances, trade receivables, current assets and current liabilities are subject to confirmation in certain cases.

**37 Related party disclosures**

**(a) Holding Company**

Escorts Limited

**(b) Parties with whom control exists:**

Escorts Benefit and Welfare Trust

**(d) Key Managerial Personnel**

Mr. Pritam Narang	Whole time director
Mr. Rochak Puri	Director
Ms. Preeti Chauhan	Director
Mr. Sumit Raj	Director (with effect from 16 May 2018)
Mr. Donald Fernandez	Chief Financial Officer
Mr. Vicky Chauhan	Company Secretary

	<b>For the year ended 31 March, 2019</b>	<b>For the year ended 31 March, 2018</b>
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**38 Related party transactions**

**(a) Amount payable (outstanding at end of the year)**

Escorts Limited (Holding Company)	16,270.91	16,260.78
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**(c) Salary paid**

Mr. Donald Fernandez (Chief Financial Officer)	7.48	<b>6.86</b>
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**(d) Sitting Fee Paid**

Mr. Pritam Narang (Whole time director)	0.16	0.24
Mr. Rochak Puri (Director)	0.04	0.24
Ms. Preeti Chauhan (Director)	0.16	0.24
Mr. Sumit Raj (Director)	0.14	-

**39 Earning per share**

<b>Particulars</b>	<b>31 March 2019</b>	<b>31 March 2018</b>
Net profit attributable to the shareholders (Rs. in Lacs)	6.81	67.79
Weighted avg. number of outstanding equity shares during the year	40172500	40172500
Basic earning per share (in Rupees)	0.02	0.17
Diluted earning per share (in Rupees)	0.02	0.17

**40 Employee benefits plans**

**A. Defined contribution plans:**

The Company makes Provident fund and Employee State Insurance Scheme contribution which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to the fund. The contribution payable to these plans by the Company are at rates specified in the rules of the schemes. Employers's contribution to Provident Fund and Employee's State Insurance Scheme recognised as expenses in the Statement of Profit and Loss for the year are as under:



(Amount in Rupees)

	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Contribution to provident fund and other funds	55,044	50,299

**B. Defined benefit plans:**

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

**i) Amount recognised in the statement of profit and loss is as under :** (Amount in Rupees)

	Gratuity benefits		Compensated absences	
	For the year ended		For the year ended	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Current service cost	18,951	17,085	3,469	3,140
Past service cost including curtailment gains/losses	-	-	-	-
Interest cost	24,118	20,799	4,543	5,280
Actuarial (gain)/loss, net	-	-	923	(18,195)
<b>Amount recognised during the year</b>	<b>43,069</b>	<b>37,884</b>	<b>8,935</b>	<b>(9,775)</b>

**ii) Movement in the present value of defined benefit obligation recognised in the balance sheet is as under** (Amount in Rupees)

	Gratuity benefits		Compensated absences	
	For the year ended		For the year ended	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
<b>Present value of defined benefit obligation as at the start of the year</b>	<b>319,864</b>	<b>275,845</b>	<b>60,250</b>	<b>70,025</b>
Current service cost	18,951	17,085	3,469	3,140
Past service cost	-	-	-	-
Interest cost	24,118	20,799	4,543	5,280
Actuarial (gain)/loss on obligation	10,670	6,135	923	(18,195)
Benefits paid	-	-	-	-
<b>Present value of defined benefit obligation as at the end of the year</b>	<b>373,603</b>	<b>319,864</b>	<b>69,185</b>	<b>60,250</b>
<b>Current position of obligation as at the end of the year</b>	<b>6,493</b>	<b>5,421</b>	<b>2,865</b>	<b>2,441</b>
<b>Non-current position of obligation as at the end of the year</b>	<b>367,110</b>	<b>314,443</b>	<b>66,320</b>	<b>57,809</b>

**iii) Net Employee Benefit (recognised in Other Comprehensive Income)**

(Amount in Rupees)

	Gratuity benefits		Compensated absences	
	For the year ended		For the year ended	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Actuarial gain / (loss) for the year on PBO	<b>(10,670)</b>	<b>(6,135)</b>	-	-
Actuarial gain / (loss) for the year on Assets	-	-	-	-



**iv) Actuarial Gain / (Loss) on obligation**

(Amount in Rupees)

	Gratuity benefits		Compensated absences	
	For the year ended		For the year ended	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Actuarial (Gain)/Loss from Change in Demographic Assumption	-	-	-	-
Actuarial (Gain)/Loss from Change in Financial Assumption	4,174	-	765	-
Actuarial (Gain)/Loss from Experience Adjustment	6,496	6,135	158	(18,195)

**v) Economic assumptions:**

The principal assumptions are the discount rate and salary growth rate. The discount rate is generally based upon the market yield available on the Government bonds at the accounting date with a term that matches that of the liabilities and the salary growth rate takes account of inflation, seniority, promotion and other relevant factors on long term basis.

(Amount in Rupees)

	As at 31 March 2019	As at 31 March 2018
Discount rate	7.18%	7.54%
Salary growth rate	7.50%	7.50%

**vi) Demographic assumptions:**

(Amount in Rupees)

	As at 31 March 2019	As at 31 March 2018
Retirement age	58 years	58 years
Mortality table	IALM (2006-08)	IALM (2006-08)
Withdrawal rates		
Upto 30 years	3%	3%
From 31 to 44	2%	2%
Above 44 years	1%	1%

These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year-end by reference to government bonds and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.

**vii) Sensitivity analysis for defined benefit obligation**

(Amount in Rupees)

	Gratuity benefits		Compensated absences	
	For the year ended		For the year ended	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
<b>Impact of the change in discount rate</b>				
Present value of obligation at the end of the year	373,603	319,864	69,185	60,250
- Impact due to increase of 0.50 %	(5,775)	(6,241)	(1,059)	(1,143)
- Impact due to decrease of 0.50 %	5,943	6,440	1,089	1,179
<b>Impact of the change in salary increase</b>				
Present value of obligation at the end of the year	373,603	319,864	69,185	60,250
- Impact due to increase of 0.50 %	5,898	6,411	1,081	1,174
- Impact due to decrease of 0.50 %	(5,784)	(6,272)	(1,061)	(1,148)



The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied which was applied while calculating the defined benefit obligation recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to prior period.

**viii) Maturity profile of defined benefit obligation**

(Amount in Rupees)

	Gratuity benefits		Compensated absences	
	For the year ended		For the year ended	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Within next 12 months	6,493	5,421	2,865	2,441
Between 1-5 years	264,247	228,360	48,808	43,956
Beyond 5 years	102,863	86,083	17,512	13,853

**41 Additional Information as per Part II of Schedule III, Companies Act, 2013**

Name of the Entity	Net Assets		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit and loss	Amount	As % of consolidated comprehensive income	Amount	As % of total comprehensive income	Amount
<b>Parent:</b>								
Escorts Finance Limited	101%	(17,996.38)	51.54%	3.51	0.28%	(0.11)	-10.57%	3.40
<b>Associate:</b>								
Escorts Securities Limited	-1%	146.29	48.46%	3.30	99.72%	(38.88)	110.57%	(35.58)
<b>Total</b>		<b>(17,850.09)</b>		<b>6.81</b>		<b>(38.99)</b>		<b>(32.18)</b>

**42** The Company has a single reportable segment namely financial services (limited to recovery of loan assets) for the purpose of Ind AS-108.

**43** There are no event observed after the reported period which have an impact on the Company's operation.

**44** The figures for the previous period have been regrouped / rearranged / reclassified wherever necessary.

In terms of our report attached

**For Kapish Jain & Associates,**  
Chartered Accountants  
Firm's Registration No. 022743N

**CA Kapish Jain**  
Partner  
Membership No. 514162

Place: Faridabad  
Date: 04 May, 2019

**For and on behalf of the Board of Directors**

**Pritam Narang**  
Whole Time Director  
DIN: 00982418

**Vicky Chauhan**  
Company Secretary  
M. No.: A27729

**Sumit Raj**  
Director  
DIN: 07171298

**Donald Fernandez**  
Chief Financial Officer  
PAN AAAPF9140N

**Form AOC-I****(Pursuant to sub-section (3) of section 129 of the Companies Act, 2013, related to associate and joint ventures)****Part A : Subsidiaries**      **NA****Part B : Associates**

<b>S. No.</b>	<b>Name of Associates</b>	<b>Escorts Assets Management Limited</b>
1	Latest audited Balance Sheet Date	11 May 2018
2	Date on which the associate was associated or acquired	31 March 2018
3	Share of Associate by the Company on 11 May 2018	
	Number	14,60,000
	Amount of Investment	1,46,00,000
	Extent of Holding ( in percentage)	20.86%
4	Description of how there is significant influence	Shareholding
5	Reason why the associate is not considered	NA
6	Networth attribute to share holding as per latest audited Balance Sheet	13,56,98,414.00
7	Profit or Loss for the period ended 11 May 2018	15,84,309
(i)	Considered in Consolidation	3,30,486.85
(ii)	Not Considered in Consolidation	12,53,822.15

**For and on behalf of the Board of Directors****Pritam Narang**Whole Time Director  
DIN: 00982418**Vicky Chauhan**Company Secretary  
M. No.: A27729**Sumit Raj**Director  
DIN: 07171298**Donald Fernandez**Chief Financial Officer  
PAN AAAPF9140NPlace: Faridabad  
Date: 04 May, 2019



Dear Shareholder,

Securities Exchange Board of India (SEBI) has vide its Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018 read with Circular No. SEBI/HO/MIRSD/DOS3/CIR/P/2018/115 dated July 16, 2018, has mandated the Company/ RTA to obtain copy of PAN Card and Bank account details from all the shareholders holding shares in physical form.

Accordingly, you are requested to fill & return the appended letter alongwith self-attested copy of your PAN card and original cancelled cheque leaf/ attested bank passbook showing the name of account holder so that details may be noted in our record. The details are required for all joint holders.

Please address all communication in this regards to our R&T Agent i.e. M/s Alankit Assignments Limited, 3E/ 7, Jhandewalan Extension, New Delhi – 110055.

Thanking you,  
For Escorts Finance Limited  
Sd/-  
Vicky Chauhan  
Company Secretary

**ESCORTS FINANCE LIMITED**

15/5, Mathura Road, Faridabad – 121 003, Haryana, India

Phone: +91-129-2564116; Fax: +91-129-2250060

E-mail: [escortsfinance@escorts.co.in](mailto:escortsfinance@escorts.co.in); Website: [www.escortsfinance.com](http://www.escortsfinance.com)

CIN: L65910CH1987PLC033652

Registered Office: SCO – 64-65, Third Floor, Sector – 17A, Chandigarh – 160 017

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To  
Alankit Assignments Limited  
3E/ 7, Jhandewalan Extension,  
New Delhi – 110055

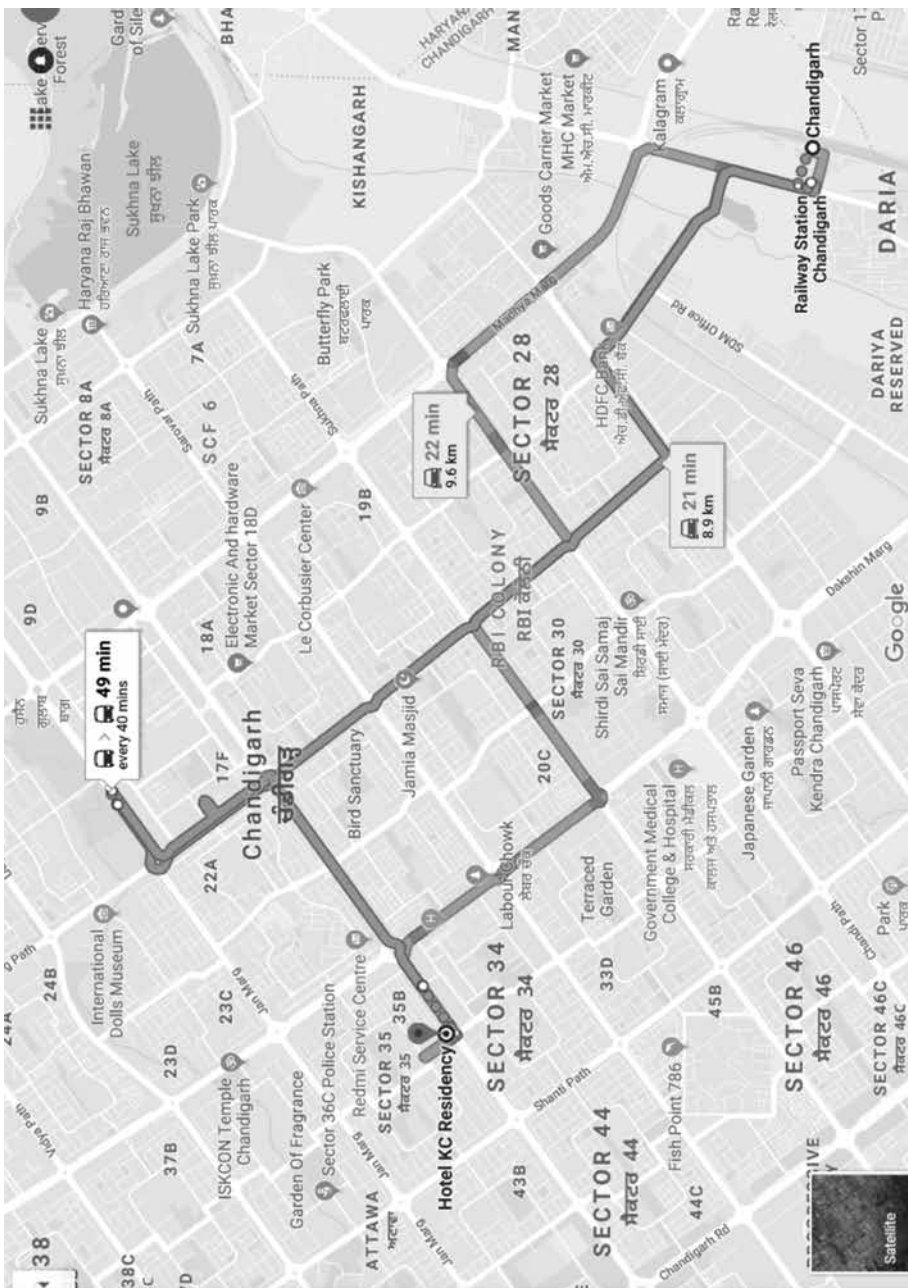
Dear Sir,

I/We hereby furnishing the details as required by you. Kindly record the same and confirm:

Name of Shareholder(s)	
Folio No.	
Pan (Enclose self-attested copy of Pan card(s) of all holders/ joint holders)	
Bank Account No. (Enclose name printed original cancelled cheque/ attested copy of passbook)	
Name of Bank	
Branch Address	
IFSC No.	
MICR No.	
Email ID	
Mobile/ Telephone No.	
Name of Shareholder(s)	Signature of Shareholder(s)
1. First named shareholder	
2.Jt1	
3.Jt2	



## ROUTE MAP FOR ANNUAL GENERAL MEETING



**ATTENDANCE SLIP**

(Please fill this attendance slip and hand it over at the entrance of the meeting hall)

**ESCORTS FINANCE LIMITED****Registered Office:**

SCO - 64-65, Third Floor,

Sector - 17A,

Chandigarh – 160 017

**CIN:** L65910CH1987PLC033652I/ We hereby record my/ our presence at the **31<sup>st</sup> Annual General Meeting** of the Company being held at 3.00 P.M. on **Monday, September 30, 2019 at Hotel K C Residency, SCO 377-380, Sector – 35B, Chandigarh – 160 035.**

DP ID	
-------	--

Folio No.	
-----------	--

Client ID	
-----------	--

No. of Shares	
---------------	--

(in demat form)

(in physical form)

Name: \_\_\_\_\_

Father's/ Husband's Name: \_\_\_\_\_

Jointly with 1. \_\_\_\_\_

2. \_\_\_\_\_

Address \_\_\_\_\_

\_\_\_\_\_

Signature of the member(s)/Proxy holder(s)

- Notes: 1. Please fill this Attendance Slip and hand it over at the Registration Counter.  
 2. Shareholder/ Proxy Holder/ Authorised Representatives are requested to show their Photo ID proof for attending the meeting.  
 3. Authorised Representatives of Corporate members shall produce proper authorisation issued in their favour.  
 4. **This Attendance Slip is valid only in case shares are held as on the cut-off date i.e. September 23, 2019.**

Tear Here

**PROXY FORM**

(Form No. MGT-11)

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

**ESCORTS FINANCE LIMITED****Registered Office:**

SCO - 64-65, Third Floor,

Sector - 17A,

Chandigarh – 160 017

**CIN:** L65910CH1987PLC033652

DPID	
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Folio No.	
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Client ID	
-----------	--

No. of Shares	
---------------	--

(in demat form)

(in physical form)

I/ We \_\_\_\_\_ being member(s) of Escorts Finance Limited hereby appoint

1.	Name		
	Address	or failing him	
2.	Name		
	Address	or failing him	
3.	Name		
	Address	or failing him	

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the **31<sup>st</sup> Annual General Meeting (AGM)** of the Company to be held on **Monday, September 30, 2019 at 3.00 P.M. at Hotel K C Residency, SCO 377-380, Sector – 35B, Chandigarh – 160 035** and at any adjournment thereof in respect of such resolution(s) as mentioned in the Notice of AGM dated July 26, 2019.

Signed this \_\_\_\_ day of \_\_\_\_\_ 2019

Signature of member \_\_\_\_\_

Signature of Proxyholder(s) \_\_\_\_\_

15 Paise  
revenue  
stamp**Note: This form of proxy in order to be effective should be duly completed, signed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the AGM.**



**SPEED POST / REGD. POST / COURIER**

*If undelivered, please return to:*

The Company Secretary  
**ESCORTS FINANCE LIMITED**  
15/5, Mathura Road  
Faridabad - 121 003  
Haryana