

September 6, 2018

**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. Thirtieth Annual General Meeting (AGM) of the Company is scheduled to be held on Friday, September 28, 2018 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 21, 2018 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 Tuesday, September 25, 2018 and end at 5.00 p.m. IST on Thursday, September 27, 2018.
3. Registers of Members and Share Transfer Books of the Company will remain closed from September 21, 2018 to September 28, 2018 (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)★**

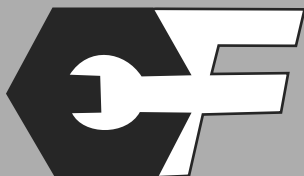
CC: Alankit Assignment Limited, 1E/13, Jhandewalan Extension, New Delhi-110055  
NSDL: 4<sup>th</sup> Floor, 'A' wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai- 400013 &  
CDSL: Phiroze Jheebhoy Towers, 17<sup>th</sup> Floor, Dalal Street, Mumbai- 400001



**30<sup>th</sup>**

**ANNUAL REPORT**

**2017-18**



**ESCORTS  
FINANCE  
LIMITED**



## COMPANY INFORMATION

### **Board of Directors**

Mr. Pritam Narang, Whole-time Director

Mr. Sumit Raj

Ms. Preeti Chauhan

### **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

### **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)

**NOTICE**

Notice is hereby given that the **Thirtieth Annual General Meeting (AGM)** of Escorts Finance Limited will be held on **Friday, September 28, 2018 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, 2018, 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, 2018.
2. To appoint a Director in place of Mr. Pritam Narang (DIN: 00982418) who retires by rotation and being eligible, offers himself for re-appointment.

**SPECIAL BUSINESS:**

3. **To appoint Mr. Sumit Raj (DIN 07171298) as an Independent 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 149 and 152 read with Schedule IV 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. Sumit Raj (DIN 07171298), 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 an Independent Director of the Company, not liable to retire by rotation and to hold office for a period of 3 (three) consecutive years upto the conclusion of the 33rd Annual General Meeting of the Company to be convened in the calendar year 2021."

**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, 2018 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 21, 2018 to September 28, 2018 (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 Agents (Alankit RTA), from the following address: -

**ALANKIT ASSIGNMENTS LIMITED**

Alankit House

1E/13, 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, 2018 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:

**Instruction 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" 180901047 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 21, 2018 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](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cDSLindia.com](mailto:helpdesk.evoting@cDSLindia.com).
- VI. The e-voting period commences on Tuesday, **September 25, 2018** (9:00 am IST) and ends on Friday, **September 27, 2018** (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 21, 2018**, 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 21, 2018.
- 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](http://www.escortsfinance.com) and on the website of CDSL at [www.evotingindia.com](http://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 December 5, 2018. 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**

**Sd/-  
Vicky Chauhan  
Company Secretary**

**Place: Faridabad  
Dated: August 9, 2018**





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

**ITEM NO. 3**

In accordance with the provisions of Sections 149 and 152 read with Schedule IV of the Companies Act, 2013 ("the Act"), appointment of an Independent Director requires approval of members. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors has recommended appointment of Mr. Sumit Raj as an Independent Director on the Board of the Company. The appointment of Mr. Sumit Raj shall be effective upon approval by the members of the Company.

Mr. Sumit Raj 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.

The Company has received a declaration from Mr. Sumit Raj that he meets the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act and under SEBI (Listing Obligations and Disclosure Requirements) Regulations ("the Listing Regulations"). In the opinion of the Board, Mr. Sumit Raj fulfils the conditions for his appointment as an Independent Director as specified in the Act and the Listing Regulations. Mr. Sumit Raj is independent of the management and possesses appropriate skills, experience and knowledge.

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 annexed to this Notice.

Except Mr. Sumit Raj, 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 commends the Ordinary Resolution as set out at Item No. 3 of the Notice for approval of the members.

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

**Place: Faridabad  
Dated: August 9, 2018**

**Sd/-  
Vicky Chauhan  
Company Secretary**



Your Directors are pleased to present the Thirtieth Annual Report, together with the Audited Financial Statements of the Company for the financial year ended March 31, 2018 and the Auditors' Report thereon.

**Financial Results****(Rs. In Lacs)**

<b>Particulars</b>	<b>Financial Year ended March 31, 2018</b>	<b>Financial Year ended March 31, 2017</b>
Gross Income	<b>16.42</b>	<b>30.47</b>
Profit/ (Loss) before write off, provisions & tax	<b>(276.27)</b>	<b>(5.82)</b>
Tax adjustment for earlier years	-	-
Profit/ (Loss) after Tax	<b>(97.47)</b>	<b>(5.82)</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. 37.44 Lacs has been paid to the Fixed Deposit holders during the financial year ended March 31, 2018. As on the said date, there is an unclaimed/ unpaid fixed deposit liability of Rs. 1095.13 Lacs.

**Management Discussion and Analysis****(i) Industry Structure and Development & Opportunities and Threats**

Non Banking Finance Companies (NBFC) sector in India is represented by a mix of a few large companies with nationwide presence and a few small and medium sized companies with region focus, primarily engaged in hire purchase financing, investments, corporate loans, IPO funding, venture capital and other non-fund based activities. The Reserve Bank of India (RBI) regulates and supervises these NBFCs.

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.

**(ii) Opportunities and threats**

The NBFCs are facing stiff competition from Banks and Financial Institutions, due to the ability of Banks & FII's to raise a low cost fund which enables them to provide funds at more favorable rates. More stringent capital adequacy norms have been stipulated by RBI for NBFCs which results in inability to give cheaper finance.

**(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.

**(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**

High interest regime in the economy may act as a dampener for the financing business. There is also stiff competition due to entry of large players in the market.

**(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 loss for the year after write offs/ provisions etc. and tax amounts to Rs. 97.47 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**

In terms of the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Pritam Narang, Director retires by rotation at the ensuing Annual General Meeting of your Company, and being eligible, offers himself for re-appointment.

Your Directors recommend the re-appointment of Mr. Pritam Narang at the ensuing Annual General Meeting.

Mr. Rochak Puri, Independent Director of the Company has resigned from the Board of the Company w.e.f. May 16, 2018. The Board places on record its appreciation for the valuable guidance and services rendered by Mr. Rochak Puri during his tenure with the Company.

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. Sumit Raj as an Additional Independent Director on the Board of the Company w.e.f. May 16, 2018 subject to approval of members at the AGM. He shall hold office as Director of the Company upto the date of ensuing AGM and is eligible for appointment as a Director.

Pursuant to the provisions of Section 149 and other applicable provisions of the Act, your directors are seeking appointment of Mr. Sumit Raj as an Independent Directors for a period of 3 years.

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

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 are provided as under:

<b>Particulars</b>	<b>Mr. Pritam Narang</b>	<b>Mr. Sumit Raj</b>
Director Identification Number	00982418	07171298
Date of Birth	08/02/1949	18/08/1986
Date of Appointment	14/01/2008	16/05/2018
Qualifications	B.Com (Hons) from Delhi University, M.Com from Rajasthan University, Intermediate (Group – 1) of ICWA	B.Com, CS & LLB



Brief Resume and Area of Expertise	Mr. Narang is having Experience in Accounts & Finance, Export & Import, Third Country International Trade, Corporate Aviation Management, Corporate Administration, Projects, travel trade. He is also governing Board member of Business Aircraft Operator Association.	Mr. Sumit Raj is an Associate Member of Institute of Company Secretaries of India.  He is having approx. 7 years of experience in the field of Secretarial and Legal. He is also having directorships in some other Companies and LLPs.
Directorships held in other companies (excluding foreign companies)	Escorts Consumer Credit Limited	PKP Consultants Pvt. Ltd. Daksh Softech Pvt. Ltd.
Committee Memberships of other Companies (includes only Audit Committee and Stakeholders Relationship Committee)	-	-
Number of shares held in the Company	-	-
Relationship between directors inter-se	There is no inter-se relationship between Mr. Pritam Narang and other directors.	There is no inter-se relationship between Mr. Sumit Raj and other directors.
Terms and Conditions of appointment/ re-appointment alongwith 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.

### **Indian Accounting Standard**

The Ministry of Corporate Affairs (MCA) on February 16, 2015, notified that Indian Accounting Standards (Ind AS) are applicable to certain classes of companies from April 1, 2016 with a transition date of April 1, 2015. Ind AS has replaced the previous Indian GAAP prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014. Ind AS is applicable to the Company from April 1, 2016.

### **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**

During the year ended March 31, 2018, Escorts Asset Management Limited ceased to be the associate of the Company and Escorts Securities Limited became associate of the Company.



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.

## **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 Kaphish 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.

The first year of audit was of the financial statements for the year ending March 31, 2018, which included the audit of the quarterly financial statements for the year.

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 2017-18. The Secretarial Audit Report for the financial year ended March 31, 2018 is enclosed as **Annexure – F** and forms an integral part of this Report.

The Board has also re-appointed M/s Jayant Gupta and Associates, Practicing Company Secretaries to conduct secretarial audit of the Company for the financial year 2018-19.

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

**Note 37:** The Company had only three employees on its rolls at the end of the financial year. The gratuity liability is being provided on actual basis as per the provisions of Payment of Gratuity Act, 1972. Similarly, leave encashment liability is also provided on actual basis. The management feels that provision on actual basis is more prudent than the actuarial estimate in view of only three employees on roll.

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

- a. Please refer to Note 36 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**

Seven 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.

### **Shifting of Registered Office**

The Company has shifted its registered office within the Union Territory of Chandigarh from "SCO – 198-200, Second Floor, Sector – 34A, Chandigarh – 160 022" to "SCO - 64-65, Third Floor, Sector – 17A, Chandigarh – 160017" w.e.f. February 6, 2018.

### **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 approved 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 43 & 44 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.

## **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, 2018, 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, 2018 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, 2018 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: August 9, 2018**

Sd/-  
**Pritam Narang**  
**Director**  
**DIN: 00982418**

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, 2018, 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 31.03.2018 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**	
						Membership	Chairmanship
Mr. Pritam Narang	Whole-time Director	Non-Executive & Non Independent	7	Yes	2	NIL	NIL
Mr. Rochak Puri	Director	Non-Executive & Independent	7	Yes	1	NIL	NIL
Ms. Preeti Chauhan	Director	Non-Executive & Independent	7	No	1	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.

**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, 2018 the Board of Directors met Seven (7) times on April 26, 2017, May 24, 2017, July 25, 2017, November 7, 2017, February 6, 2018, February 28, 2018 and March 30, 2018.

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. Pritam Narang, 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, 2018.

Place: Faridabad

Dated: August 9, 2018

Sd/-

**Pritam Narang**  
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

As on March 31, 2018 the Audit Committee comprises of the following Directors:

Director	Designation	Category
Mr. Rochak Puri	Chairman	Non-Executive Independent Director
Ms. Preeti Chauhan	Member	Non-Executive Independent Director
Mr. Pritam Narang	Member	Non-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 2017-18, Audit Committee met five (5) times on May 24, 2017, July 25, 2017, November 7, 2017, February 6, 2018 and March 30, 2018.

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

Name of Member	Number of meeting	
	Held	Attended
Mr. Rochak Puri (Chairman)	5	5
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**

The Nomination and Remuneration Committee comprises of following Directors:

1. Mr. Rochak Puri – 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 personal 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 2017-18, three (3) meeting of the Nomination and Remuneration Committee were held on April 26, 2017, July 25, 2017 and February 6, 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, 2017 to March 31, 2018 are as under:

S.No.	Name of Member	Relationship with other Directors	Sitting Fees (in Rs.)
1.	Mr. Pritam Narang	*	24,000
2.	Mr. Rochak Puri	*	24,000
3.	Ms. Preeti Chauhan	*	24,000
<b>Total</b>			<b>72,000</b>

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

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

As on March 31, 2018, none of the Directors of the Company held any share in the Company

## V. Stakeholders' Relationship Committee

### (i) Constitution

As on March 31, 2018, the Committee comprises of the following Directors:

Name of Member	Designation	Category
Mr. Rochak Puri	Chairman	Non-Executive Independent Director
Mr. Pritam Narang	Member	Non-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 2017-18, 4 (Four) meetings of the Stakeholders' Relationship Committee were held on May 24, 2017, July 25, 2017, November 7, 2017 and February 6, 2018.



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

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

**(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**

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, Five (5) complaints were received from investors, which were replied/ resolved to the satisfaction of the investors. No complaint(s) are pending for redressal for the year 2017-18 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, 2018.

**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
2016-17	Hotel KC Residency, SCO-377-380, Sector-35B, Chandigarh-160022	Tuesday, September 26, 2017	3:00 P.M.	Two
2015-16	Hotel KC Residency, SCO-377-380, Sector-35B, Chandigarh-160022	Friday, September 30, 2016	3:00 P.M.	None
2014-15	Hotel KC Residency, SCO-377-380, Sector-35B, Chandigarh-160022	Tuesday, September 29, 2015	3:00 P.M.	None

An Extra-Ordinary General Meeting was held during the year for transacting the business with the approval of shareholders. The details of the meeting is as follows:

Financial Year	Venue	Date	Time	No. of Special Resolution passed at AGM
2017-18	Hotel KC Residency, SCO-377-380, Sector-35B, Chandigarh-160022	Wednesday, March 28, 2018	10:30 A.M.	Three



## Special Resolution passed through Postal Ballot

During the financial year 2017-18, 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, 2018 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.

## IX. Means of Communication

Key Financial reporting dates during the financial year 2017-18.

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

- For Quarter ended 30.06.17: Financial Express (English), Jansatta (Hindi).
- For Quarter ended 30.09.17: Financial Express (English), Jansatta (Hindi).
- For Quarter ended 31.12.17: Financial Express (English), Jansatta (Hindi).
- For Quarter/ Year ended 31.03.18: Financial Express (English), Jansatta (Hindi).

The Quarterly Results were displayed on Company's website viz. **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	:	Friday, September 28, 2018
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

In accordance with the provisions of Companies Act, 2013 and Articles of Association of the Company, Mr. Pritam Narang, Director retires by rotation at the ensuing Annual General Meeting of your Company and being eligible, offers himself for re-appointment.

The brief resume and other details relating to the directors appointment as required to be disclosed under Listing Regulations are provided in the directors report.

**(v) Financial Calendar 2018-19 (tentative)**

Meetings of Board/ Committee thereof to take on record:

Financial results for quarter ended June 30, 2018	:	By August 14, 2018
Financial results for quarter ended September 30, 2018	:	By November 14, 2018
Financial results for quarter ended December 31, 2018	:	By February 14, 2019
Financial results for quarter/ year ended March 31, 2019	:	By May 30, 2019

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

**(vii) Book Closure**

The members register will be closed from September 21, 2018 to September 28, 2018 (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 21, 2018 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, 1E/13, 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, 2018 were as follows:

Month	High		Low	
	BSE Sensex	Share price (in Rs.)	BSE Sensex	Share price (in Rs.)
April 2017	30184.22	12.48	29241.48	10.70
May 2017	31255.28	11.54	29804.12	9.25
June 2017	31522.87	11.42	30680.66	7.51
July 2017	32672.66	8.40	31017.11	6.70
August 2017*	32686.48	-	31128.02	-
September 2017	32524.11	7.79	31081.83	7.79
October 2017	33340.17	7.41	31440.48	4.25
November 2017	33865.95	6.24	32683.59	4.24
December 2017	34137.97	5.11	32565.16	4.39
January 2018	36443.98	4.55	33703.37	3.77
February 2018	36256.83	4.14	33482.81	3.58
March 2018	34278.63	4.63	32483.84	3.40

\* Price not available on Stock Exchange Website





**(xiv) Distribution of Shareholding as on March 31, 2018: -**

No. of shares	No. of shareholders	No. of shares held	% of Total
Upto 100	20046	1745237	4.336
101 to 500	3671	1128422	2.804
501 to 1000	1073	954350	2.371
1001 to 5000	985	2394077	5.948
5001 to 10000	175	1374757	3.416
10001 to 20000	49	695799	1.729
20001 to 30000	16	396815	0.986
30001 to 40000	10	363621	0.903
40001 to 50000	6	267334	0.664
50001 to 100000	9	711502	1.768
100001 to 500000	2	354440	0.881
500001 and above	4	29863646	74.195
<b>TOTAL</b>	<b>26046</b>	<b>40250000</b>	<b>100.00</b>

**(xv) Shareholding Pattern as on March 31, 2018:**

Category	No. of Share-holders	No. of Shares held	% to the Capital
<b>Promoter &amp; Promoter Group:</b>			
a) Indian	6	28023178	69.62
b) Foreign	NIL	NIL	NIL
<b>Public Shareholding Institutions:</b>			
a) Mutual Funds & UTI	NIL	NIL	NIL
b) Banks/ FIs	3	11300	0.03
c) FIIs/ VCs etc.	NIL	NIL	NIL
<b>Non Institutions:</b>			
a) Private Bodies Corporate	151	2639904	6.56
b) Indian Public	25142	9053162	22.49
c) NRIs/ OCBs etc.	37	152356	0.38
d) Others	212	370100	0.92
<b>TOTAL</b>	<b>25551</b>	<b>40250000</b>	<b>100.00</b>

**(xvi) Dematerialisation**

As on March 31, 2018, dematerialized shares accounted for 95.67% (95.62% up to March 31, 2017) 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 House, 1E/13  
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: August 9, 2018**

Sd/-  
**Pritam Narang**  
**Director**  
**DIN: 00982418**

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, 2018.

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, 2018 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 16, 2018

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 Company, for the year ended on March 31, 2018, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 42(2) and para C, D and E of Schedule V of the SEBI ('Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

### **Management Responsibility**

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

### **Auditor's Responsibility**

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

### **Opinion**

- (7) Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the SEBI Listing Regulations during the year ended March 31, 2018.
- (8) 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**

- (9) 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

Place: Faridabad  
Dated: August 9, 2018

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



**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 2017-18, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2017-18, 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 2017-18 (Rs. In Lacs)	% Increase in Remuneration in the financial year 2017-18	Ratio of remuneration of each Director/ to median remuneration of employees
1.	Mr. Pritam Narang, Non-Executive Director	0.24	0	0.05
2.	Mr. Rochak Puri, Non-Executive Director	0.24	0	0.05
3.	Ms. Preeti Chauhan, Non-Executive Director	0.24	0	0.05
4.	Mr. Donald Fernandez, Chief Financial Officer	6.86	9.94%	
5.	Mr. Vicky Chauhan, Company Secretary	0	0	

- (ii) In the financial year, there was an increase of 7.77% in the median remuneration of employees.
- (iii) There were 3 permanent employees on the rolls of the Company as on March 31, 2018.
- (iv) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2017-18 was 6% 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**

**Place: Faridabad  
Dated: August 9, 2018**

Sd/-  
**Pritam Narang**  
Director  
DIN: 00982418

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



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

as on the financial year ended on March 31, 2017

[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	09-Feb-87
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, 1E/13, 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
----- NIL -----			

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

Sl.No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Escorts Securities Limited, Premises No.- 2/90, Block-P, Connaught Circus, New Delhi - 110 001	U74899DL1994PLC062140	Associate	20.86%	Section 2(6) of the Companies Act, 2013



#### 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, 2017]				No. of Shares held at the end of the year [as on March 31, 2018]				% 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	61000	0	61000	0.152	81000	0	81000	0.201	0.049
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>		28003178	0	28003178	69.573	28023178	0	28023178	69.623	0
<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>		0	0	0	0	0	0	0	0	0
<b>Total Shareholding of Promoter (A) = (A)(1)+(A)(2)</b>		28003178	0	28003178	69.573	28023178	0	28023178	69.623	0.050
<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	0	5000	5000	0.012	6300	5000	11300	0.028	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>		0	5000	5000	0.012	6300	5000	11300	0.028	0.016
<b>2.</b>	<b>Non Institutions</b>									
a)	Bodies corporates									
i.	Indian	3031986	14700	3046686	7.569	2625204	14700	2639904	6.559	-1.011
ii.	Overseas	0	0	0	0	0	0	0	0	0
b)	Individuals									
i.	Individual shareholders holding nominal share capital upto Rs. 2 lakh	6015763	1744091	7759854	19.279	5828387	1722367	7550754	18.760	-0.520
ii.	Individual shareholders holding nominal share capital in excess of Rs 2 lakh	1249702	0	1249702	3.105	1502408	0	1502408	3.733	0.628
c)	NBFC registered with RBI	0	0	0	0	400	0	400	0.001	0.001
d)	Others									
(i)	NRI	185580	0	185580	0.461	152356	0	152356	0.379	-0.082
(ii)	Clearing Members	0	0	0	0	16500	0	16500	0.041	0.041
(iii)	HUF	0	0	0	0	353200	0	353200	0.878	0.878
<b>Sub-total (B)(2):-</b>		10483031	1758791	12241822	30.415	10478455	1737067	12215522	30.349	-0.066
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>		10483031	1763791	12246822	30.427	10484755	1742067	12226822	30.377	-0.050
C.	Shares Held by Custodian for GDRS & ADRS	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>		38486209	1763791	40250000	100.00	38507933	1742067	40250000	100.00	0.000



## (ii) Shareholding of Promoters

Sl. No.	Shareholders Name	Shareholding at the Beginning of the Financial Year (April 1, 2017)			Shareholding at the End of the Financial Year (March 31, 2018)			% 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	900	0.002	0	20900	0.052	0	0.050
2	Rajan Nanda with Ritu Nanda	30000	0.075	0	30000	0.075	0	0.000
3	Rajan Nanda with Nitasha Nanda	30000	0.075	0	30000	0.075	0	0.000
4	Ritu Nanda	100	0	0	100	0.000	0	0.000
5	Escorts Benefit and Welfare Trust	23497478	58.379	0	23497478	58.379	0	0.000
6	Escorts Limited	3819700	9.49	0	3819700	9.490	0	0.000
7	Escorts Securities Limited	625000	1.553	0	625000	1.553	0	0.000
	<b>Total</b>	<b>28003178</b>	<b>69.573</b>	<b>0</b>	<b>28023178</b>	<b>69.623</b>	<b>0</b>	<b>0.050</b>

## (iii) Change in Promoters' Shareholding

Sl. No.	Name	Shareholding		Date	Increase / Decrease in shareholding (No.)	Reason	Cumulative Shareholding during the year (01-04-2017 to 31-03-2018)	
		No. of Shares at the beginning (01-04-2017) end of the year (31-03-2018)	% of total shares of the Company				No. of shares	% to total shares of the Company
1	Nitasha Nanda	900	0.002	01-04-17	-	-	900	0.002
				09-06-17	20000	Purchase	20900	0.052
		20900	0.052	31-03-18	-	-	20900	0.052

## (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 (01-04-2017 to 31-03-2018)	
		No. of shares at the beginning (01-04-2017)/ end of the year (31-03-2018)	% of total shares of the Company				No. of shares	% to total shares of the Company
1	Emerald Wealth Management Limited	45000	0.11	01-04-2017			45000	0.11
				29-09-2017	1876468	Purchase	1921468	4.77
		1921468	4.77	31-03-2018			1921468	4.77
2	All Grow Finance And Investment Pvt. LTD	0	-	01-04-2017			0	-
				03-11-2017	234440	Purchase	234440	0.58
		234440	0.58	31-03-2018			234440	0.58



Sl. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding (No.)	Reason	Cumulative Shareholding during the year (01-04-2016 to 31-03-2017)	
		No. of shares at the beginning (01-04-2016)/ end of the year (31-03-2017)	% of total shares of the Company				No. of shares	% to total shares of the Company
3	TKS Nair	120000	0.30	01-04-2017			120000	0.30
		120000	0.30	31-03-2018			120000	0.30
4	Share India Securities Limited	98960	0.25	01-04-2017			98960	0.25
			-	06-10-2017	500	Sale	98460	0.24
		98460	0.24	31-03-2018			98460	0.24
5	Dipti K Somaiya	124666	0.31	01-04-2017			124666	0.31
				12-05-2017	23947	Sale	100719	0.25
				09-06-2017	4550	Sale	96169	0.24
		96169	0.24	31-03-2018			96169	0.24
6	Ramesh Chand	79512	0.20	01-04-2017			79512	0.20
				08-09-2017	10972	Purchase	90484	0.22
		90484	0.22	31-03-2018			90484	0.22
7	Bhavisha Tulsibhai Vora	90000	0.22	01-04-2017			90000	0.22
		90000	0.22	31-03-2018			90000	0.22
8	Amita Agarwal	85000	-	01-04-2017			85000	0.21
		85000	0.21	31-03-2018			85000	0.21
9	Mamta Sancheti	70000	0.17	01-04-2017			70000	0.17
		70000	0.17	31-03-2018			70000	0.17
10	Snehalatha Singhi	66135	0.16	01-04-2017			66135	0.16
		66135	0.16	31-03-2018			66135	0.16

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

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding (No.)	Reason	Cumulative Shareholding during the year (01-04-2017 to 31-03-2018)	
		No. of Shares at the beginning (01-04-2017) end of the year (31-03-2018)	% of total shares of the Company				No. of shares	% to total shares of the Company
----- Not Applicable -----								





## B. Remuneration to Other Directors

S.No.	Particulars of Remuneration	Name of Directors		Total Amount (In Rs.)
		Mr. Rochak Puri	Ms. Preeti Chauhan	
<b>1</b>	<b>Independent Directors</b>			
	• Fee for attending Board/ Committee Meetings	0.24	0.24	0.48
	• Commission	-	-	-
	• Others	-	-	-
	<b>Total (1)</b>	0.24	0.24	0.48
<b>2</b>	<b>Other Non-Executive Directors</b>	<b>Mr. Pritam Narang</b>		<b>Total Amount (In Rs.)</b>
	• Fee for attending Board/ Committee Meetings	-		-
	• Commission	-		-
	• Others	-		-
	<b>Total (2)</b>	-		-
	<b>Total (B) = (1+2)</b>	0.24	0.24	0.48
	<b>Total Managerial Remuneration</b>			0.72
	<b>Overall Ceiling as per the Act</b>	<b>The Company incurred a loss of Rs. 97.47 Lacs during the year ended March 31, 2018.</b>		

## 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	6.86	-	6.86
	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>6.86</b>	<b>-</b>	<b>6.86</b>



## 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	-	-	1125.41	1125.41
(ii) Interest due but not paid	-	-	7.16	7.16
(iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	1132.57	1132.57
<b>Change in Indebtedness during the financial year</b>				
• Addition	-	-	0	0
• Reduction	-	-	37.44	37.44
<b>Net Change</b>	-	-	(37.44)	(37.44)
<b>Indebtedness at the end 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

## 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	0.24	0.24
	<b>Total (A)</b>	0.24	0.24
	<b>Overall Ceiling as per the Act</b>	<b>The Company incurred a loss of Rs. 97.47 Lacs during the year ended March 31, 2018.</b>	

\* Appointed w.e.f. April 26, 2017

**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

Place: Faridabad  
Dated: August 9, 2018

Sd/-  
**Pritam Narang**  
Director  
DIN: 00982418

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

**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**

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

For and on behalf of the Board of Directors

Place: Faridabad  
Dated: August 9, 2018

**Pritam Narang**  
Director  
DIN: 00982418

**Sumit Raj**  
Director  
DIN: 07171298



**FORM NO. MR-3**  
**Secretarial Audit Report**  
**(For the Financial Year ended March 31, 2018)**

[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 - 160 017, 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 authorised 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, 2018, 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 period ended on March 31, 2018 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 (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 Obligations 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 observation that:
    - (i) *The Company appointed a whole-time key managerial personnel in the capacity of whole-time director on April 26, 2017, after expiry of a period of more than six months since the resignation of Manager on October 10, 2016;*
    - (ii) *At the end of financial year March 31, 2018 there is unclaimed/ unpaid fixed deposit liability of Rs. 1095.13 Lacs pending to be deposited with Investor Education and Protection Fund;*
    - (iii) *The Company has not transferred unclaimed or undelivered shares, if any, to the Investor Education and Production 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 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 95,00,000 10% Redeemable Cumulative Preference shares of Rs. 10 each aggregating Rs. 9.50 crores, issued by the Company and which were due for redemption on June 27, 2017, have been rolled over for a further period of 2 years i.e. upto March 30, 2019;
- b) The interest on preference shares amounting to Rs. 1805 lacs pertaining to 10% Redeemable Cumulative Preference shares of Rs. 10 each, have been waived by the preference shareholders.

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**

**Place : New Delhi**  
**Date : August 9, 2018**

Sd/-  
**(Jayant Gupta)**  
**Practicing Company Secretary**  
**FCS : 7288**  
**CP : 9738**

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### **Annexure to the Secretarial Audit Report of Escorts Finance Limited for financial year ended March 31, 2018**

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**

**Place : New Delhi**  
**Date : August 9, 2018**

Sd/-  
**(Jayant Gupta)**  
**Practicing Company Secretary**  
**FCS : 7288**  
**CP : 9738**



## TO THE MEMBERS OF ESCORTS FINANCE LIMITED

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of ESCORTS FINANCE LIMITED ("the Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### Basis of Qualified Opinion

Attention is invited to the following matters in the Notes to the Standalone Financial Statements:

- (i) As detailed in Note 36 to the standalone financial statements, the remaining liability towards unpaid/unclaimed fixed deposits including interest thereon is Rs. 1095.13 lacs as on balance sheet date and is pending for deposit in Investor Education & Protection Fund;**
- (ii) As detailed in Note 37 to the standalone financial statements, the Company has not obtained Actuarial Valuation with regards to Employee's terminal benefits i.e., Gratuity and Leave Encashment as mandated by Ind AS-19 issued by the Institute of Chartered Accountants of India. In the absence of the same, the impact thereof on the profit and liabilities of the Company cannot be ascertained;**

### Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, **except for the effects of the matters described under the Basis for Qualified Opinion paragraph**, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS, of the state of affairs of the Company as at 31 March 2018, and its loss and its cash flows for the year ended on that date.

### Emphasis of Matters

We draw attention to the following matter in the Notes to the Standalone Financial Statements;

- (i) the Company had accumulated losses at the close of the financial year and losses for the year with its net worth continuing to stand fully eroded and, however, the financial statements have been prepared on going concern basis for reasons explained by the management, including the possibilities of considering various ways and means to enter into suitable business(s). We have relied on the representation made to us by the management.



- (ii) 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.
- (iii) the Company has reviewed the position of recoverable advances of Rs. 1358.47 lacs which had become doubtful of recovery in earlier years and were fully provided for. The same have been written off against provision already held wherever the prospects of recovery are Nil. Fresh provision of Rs. 253.82 lacs have been made during the year in such cases where recoverability has become doubtful.
- (iv) interest on preference shares amounting to Rs. 1805 lacs (previous year Rs. 1710 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.
- (v) the reconciliation of advance tax/ TDS recoverable with the related tax liability for earlier year has been carried out during the year. The consequent impact of the same Rs. 178.80 lacs has been taken to statement of profit and loss under the head 'Tax Expense'.

Our opinion is not qualified in respect of the above matters.

#### **Other Matters**

The financial statements of the Company for the year ended 31 March 2017, were audited by another auditor who had expressed a qualified opinion on those financial statements vide their audit report dated 24 May 2017.

#### **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 paragraph 3 and 4 of the Order.
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) In our opinion, proper books of account, as required by law, have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) **except for the effects of the matters described under the Basis for Qualified Opinion paragraph**, in our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.;
  - (e) The matter described in sub-paragraph (i) under the Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on functioning of the Company;
  - (f) On the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 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 controls over financial reporting 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 financial statements – Refer Note 23(c) to the standalone financial statements;
    - ii. The Company did not have any foreseeable losses on long term contracts and had no derivative contracts outstanding as at 31 March 2018; and
    - iii. The Company has not deposited amount of Rs. 1095.13 lacs to the Investor Education and Protection Fund against unpaid fixed deposit liabilities including interest thereon as referred to in Note 36 to the standalone financial statements.

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

Place: Faridabad  
Date: 16 May 2018

Sd/-  
**CA Kaphish 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 2018)**

- (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 on the basis of our examination of the records of the Company, the Company does not own/hold any immovable property. Accordingly, the provisions of clause 3(i)(c) of the Order are not applicable.
- (ii) In view of the nature of the operations of the Company, the Company does not hold any inventory other than stock of repossessed assets which have been verified by the management during the year. The carrying amount (net of provision for diminution in the value of such stock) have been written down on account of destruction / deterioration / non-saleability.
- (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, in accordance with the Hon'ble Delhi High Court's Order / directions, Escorts Benefit Trust (EBT) created by Escorts Limited maintains adequate funds to repay the matured unpaid fixed deposit liability. During the year ended 31 March 2018, EBT has settled the claims to the extent of Rs. 37.44 lacs by payment to respective fixed deposit holders. The remaining liability towards unclaimed fixed deposits and interest thereon is Rs. 1095.13 lacs as on 31 March 2018 (Rs. 1132.57 lacs as on 31 March 2017) and 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 2018, 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) 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 give 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: 16 May 2018

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



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

(Referred to in Paragraph 2 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 standalone financial statements for the year ended 31 March 2018)

### **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 were engaged to audit the internal financial controls over financial reporting of **ESCORTS FINANCE LIMITED** ("the Company") as at 31 March 2018, 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 2018, 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: 16 May 2018

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

# BALANCE SHEET AS AT 31 MARCH, 2018



(All amounts in Lacs unless stated otherwise)

Particulars	Note No.	As at 31 March, 2018	As at 31 March, 2017
<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	271.37	489.93
ii. Other financial assets	6	-	-
d. Other non-current assets	7	132.28	-
e. Income tax assets		60.19	60.20
		<b>464.04</b>	<b>550.33</b>
<b>2 Current assets</b>			
a. Inventories	8	-	0.01
b. Financial assets			
i. Investments	5	-	0.01
ii. Trade receivables	9	-	-
iii. Cash and cash equivalents	10	31.21	29.74
iv. Other financial assets	6	4.07	3.83
c. Other current assets	7	13.36	255.97
		<b>48.64</b>	<b>289.56</b>
		<b>512.68</b>	<b>839.89</b>
<b>Total assets</b>			
<b>Equity and liabilities</b>			
<b>1 Equity</b>			
a. Equity share capital	11	4,017.25	4,017.25
b. Other equity			
i. Retained earnings	12	(21,835.16)	(21,737.69)
		<b>(17,817.91)</b>	<b>(17,720.44)</b>
<b>2 Liabilities</b>			
<b>Non-current liabilities</b>			
a. Financial liabilities			
i. Borrowings	13	-	-
ii. Other financial liabilities	14	14,766.97	14,729.89
b. Provisions	15	3.16	2.76
		<b>14,770.13</b>	<b>14,732.65</b>
<b>Current liabilities</b>			
a. Financial liabilities			
i. Borrowings	13	950.00	950.00
ii. Other financial liabilities	14	2,597.87	2,686.03
b. Provisions	15	0.59	0.70
c. Current tax liabilities		9.73	188.54
d. Other current liabilities	16	2.27	2.41
		<b>3,560.46</b>	<b>3,827.68</b>
		<b>18,330.59</b>	<b>18,560.33</b>
		<b>512.68</b>	<b>839.89</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: 16 May, 2018

**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, 2018



(All amounts in Lacs unless stated otherwise)

Particulars	Note No.	For the year ended 31 March, 2018	For the year ended 31 March, 2017
<b>I</b> Revenue from operations	17	15.90	29.81
<b>II</b> Other income	18	0.52	0.66
<b>III Total income</b>		<b>16.42</b>	<b>30.47</b>
<b>IV Expenses</b>			
Employee benefits expense	19	13.31	12.07
Depreciation and amortisation expense	20	-	-
Finance cost	21	0.01	-
Other expenses	22	279.37	24.22
<b>Total expenses (IV)</b>		<b>292.69</b>	<b>36.29</b>
<b>V Loss before tax (III-IV)</b>		<b>(276.27)</b>	<b>(5.82)</b>
<b>VI Tax expense</b>			
Current tax		-	-
Deferred tax credit	38	-	-
Tax adjustment of past years	39	178.80	-
		<b>178.80</b>	<b>-</b>
<b>VII Profit/(Loss) for the year (V-VI)</b>		<b>(97.47)</b>	<b>(5.82)</b>
<b>VIII Other comprehensive income</b>		-	-
<b>IX Total comprehensive income for the period (VII+VIII)</b>		<b>(97.47)</b>	<b>(5.82)</b>
<b>X Earning per equity share</b>			
Equity shares of face value Rs. 10 each			
Basic	45	(0.24)	(0.01)
Diluted	45	(0.24)	(0.01)

**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: 16 May, 2018

**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 CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2018



(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 2016</b>	<b>40,250,000</b>	<b>4,017.25</b>
Issue of equity share capital	-	-
<b>Balance as at 31 March 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>

## B. Other equity

Particulars	Retained earnings	Total
<b>Balance as at 1 April 2016</b>	<b>(21,731.87)</b>	<b>(21,731.87)</b>
Profit for the year	(5.82)	(5.82)
Other comprehensive income for the year, net of income tax	-	-
<b>Balance as at 31 March 2017</b>	<b>(21,737.69)</b>	<b>(21,737.69)</b>
Profit for the year	(97.47)	(97.47)
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>

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: 16 May, 2018

**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, 2018



(All amounts in Lacs unless stated otherwise)

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
<b>A. Cash flow from operating activities</b>		
<b>Profit/(loss) after tax</b>	(97.47)	(5.82)
<b>Adjustments for :</b>		
Income tax expense recognised in profit or loss	(178.80)	-
Depreciation of plant, property and equipment	-	-
Excess provision written back	(13.80)	(26.70)
Provision for Gratuity & Leave Encashment	0.29	0.34
Finance cost	0.01	-
	<u>(289.77)</u>	<u>(32.18)</u>
<b>Changes in assets and liabilities</b>		
(Increase)/decrease in other financial assets and inventory	(0.23)	0.52
(Increase)/decrease in trade receivables	13.80	26.70
(Increase)/decrease in other assets	255.21	(0.28)
Increase/(decrease) in trade payable	-	-
Increase/(decrease) in other liabilities	(13.78)	146.65
<b>Cash generated from operating activities</b>	<b>(34.77)</b>	<b>141.41</b>
Financial Expenses	(0.01)	-
<b>Net cash generated from operating activities</b>	<b>(34.78)</b>	<b>141.41</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>73.69</b>	<b>-</b>
<b>C. Cash flows from financing activities</b>		
Increase/(Decrease) in Fixed Deposits (matured/ unclaimed)	(37.44)	(146.21)
<b>Net cash generated from/(used in) financing activities</b>	<b>(37.44)</b>	<b>(146.21)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>1.47</b>	<b>(4.80)</b>
Cash and cash equivalents at the beginning of year	29.74	34.54
<b>Cash and cash equivalents at the end of year</b>	<b>31.21</b>	<b>29.74</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

**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: 16 May, 2018

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

**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.

## **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**

### **2.7.1 Defined benefit plans**

Retirement benefits in the form of Gratuity is considered as defined obligations and are provided for on the basis of actual, as at the date of the Balance Sheet.



**2.7.2 Defined contribution plans**

The Company pays provident fund contributions to publicly administered provident funds as per regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

**2.7.3 Compensated absences**

Compensated absences are provided for on the basis of actuals, as at the date of the Balance Sheet.

**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.

**2.09 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**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets.

**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 2017</b>	<b>Additions</b>	<b>Adjustments</b>	<b>Deletions</b>	<b>As at 31 March 2018</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 25 for physical verification of property, plant and equipment carried out during the year.

**Depreciation of property, plant & equipment**

Refer Note 26 for depreciation of property, plant and equipment.

**4 Intangible assets**

	<b>As at 1 April 2017</b>	<b>Additions</b>	<b>Adjustments</b>	<b>Deletions</b>	<b>As at 31 March 2018</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 26 for amortisation of intangible assets.



(All amounts in Lacs unless stated otherwise)

**5 Investments**

	<b>As at 31 March, 2018</b>	<b>As at 31 March, 2017</b>
<b>Non-current investments</b>		
<b>Investment carried at cost</b>		
Subsidiary Companies	-	-
<b>Associates</b>		
Fully paid equity shares ( unquoted)	146.00	489.93
<b>Investment carried at amortised cost</b>		
Preference shares	125.37	-
	<u>271.37</u>	<u>489.93</u>
<b>Current investments</b>		
Fully paid equity shares (unquoted)	7.42	7.43
Less: Provision for Diminution in Value of Trade Investments	7.42	7.42
	<u>-</u>	<u>0.01</u>

**Details of investments is as follows**

**Non-current investments**

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

Escorts Asset Management Limited	-	489.93
NIL Equity Shares of Rs. 10/- each (31 March 2017 : 48,99,300)		
Escorts Securities Limited	146.00	-
14,60,000 Equity Shares of Rs. 10/- each (31 March 2017 : NIL)		
	<u>146.00</u>	<u>489.93</u>

**Others ( in preference shares ) - At Amortised Cost**

All Grow Finance & Investmen Private Limited 7,30,000 10% non-cummulative redeemable Preference Shares of Rs. 10/-each; Redeemable on or before 26.03.2035 (31 March 2017 : NIL)	14.33	-
All Grow Finance & Investmen Private Limited 1,97,250 4% non- cummulative redeemable Preference Shares of Rs. 100/- each; Redeemable on or before 04.07.2023 (31 March 2017 : NIL)	111.04	-
	<u>125.37</u>	<u>-</u>

**Changes in investments**

The Company had sold all the equity shares of Escorts Asset Management Limited on 20 February 2018 hence cease to be an associate on same date. Further, the Company has made following investments after getting appropriate approvals from its shareholders in extra ordinary general meeting held on 28 March 2018.

- a) in the equity shares of Escorts securities Limited : Rs.146.00 lacs ( date of investment 31 March 2018)  
b) in Preference Shares of Allgrow Finance and Investment Private Limited : Rs. 270.25 lacs (date of investment 31 March 2018)

**Current investments**

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

Escorts Investment Trust Limited	-	0.01
NIL Equity Shares of Rs, 10/- each (31 March 2017 : 100)		
Escorts Consumer Credit Limited	0.02	0.02
1,90,000 Equity Shares of Rs. 10/- each (31 March 2017 : 1,90,000)		
G.R. Solvents & Allied Industries Limited	7.40	7.40
92,485 Equity Shares of Rs. 10/- each (31 March 2017: 92,485)		
	<u>7.42</u>	<u>7.43</u>



(All amounts in Lacs unless stated otherwise)

**6 Other financial assets**

	As at 31 March, 2018	As at 31 March, 2017
<b>Non-current other financial assets</b>		
<b>Unsecured; considered doubtful</b>		
Loans and Advances *	253.82	1,357.43
Less: Provision for bad & doubtful loan & advances	253.82	1,357.43
	-	-
<b>Current financial assets</b>		
Security deposits	3.73	3.73
Accrued interest	0.34	0.10
	<b>4.07</b>	<b>3.83</b>

\* Refer Note 30 for doubtful loans and advances written off against provision already held.

**7 Other assets**

**Other non-current assets**

Prepaid expenses	132.28	-
	<b>132.28</b>	-

**Other current assets**

(Unsecured; considered good unless otherwise stated)

Advances with public bodies	0.14	0.14
Prepaid expenses	12.72	0.16
Other loans and advances	0.50	255.67
	<b>13.36</b>	<b>255.97</b>

**8 Inventories**

Stock of Repossessed Assets ^

(As certified by the Management)	-	0.01
	-	<b>0.01</b>

^Refer Note 31 for written off the carrying amount of repossessed assets (54 nos.)

**9 Trade receivables**

**Unsecured**

i. Considered good	-	-
ii. Considered doubtful §	704.86	716.75
	<b>704.86</b>	<b>716.75</b>
Less: Provision for bad and doubtful trade receivables	704.86	716.75
	-	-

§ Refer Note 32 for doubtful trade receivables.

**10 Cash and cash equivalents**

Cash on hand #	-	0.24
Balances with banks In current accounts	31.21	29.50
	<b>31.21</b>	<b>29.74</b>

# Amount is less than one thousand rupees



(All amounts in Lacs unless stated otherwise)

**11 Share capital**

	As at 31 March, 2018		As at 31 March, 2017	
	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>

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

**Equity share capital**

	As at 31 March, 2018		As at 31 March, 2017	
	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, 2018		As at 31 March, 2017	
	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%

**12 Other Equity**

	As at 31 March, 2018	As at 31 March, 2017
<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	(25,527.98)	(25,522.16)
Add: Profit/(Loss) for the year	(97.47)	(5.82)
Balance at the end of 31 March 2018	<b>(25,625.45)</b>	<b>(25,527.98)</b>
<b>Balance at the end of 31 March 2018</b>	<b>(21,835.16)</b>	<b>(21,737.69)</b>





(All amounts in Lacs unless stated otherwise)

**13 Borrowings**

	As at 31 March, 2018	As at 31 March, 2017
<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 2017: 95,00,000)	950.00	950.00
	<b>950.00</b>	<b>950.00</b>

Refer note 33 for extension in Redemption of Cumulative Preference Shares

Refer Note 34 for waiver of outstanding interest on preference shares as on balance sheet date.

**14 Other Financial Liability**

**Other Non-Current Financial Liability**

a. FD Redemption through Court approved arrangements*	14,766.97	14,729.89
	<b>14,766.97</b>	<b>14,729.89</b>

**Other Current Financial Liability**

a. Matured / Unclaimed fixed deposits and interest thereon^	1,095.13	1,132.57
b. Other payable	1,502.74	1,553.46
	<b>2,597.87</b>	<b>2,686.03</b>

\*Refer Note 35 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 36 for remaining liability towards unclaimed matured fixed deposits liability including interest thereon and is pending for deposit in Investor Education & Protection Fund.

**15 Provisions**

**Non-current Provisions**

**Provision for employee benefits**

a. Provision for gratuity	3.16	2.76
	<b>3.16</b>	<b>2.76</b>

**Current Provisions**

**Provision for employee benefits**

a. Provision for compensated absences	0.59	0.70
	<b>0.59</b>	<b>0.70</b>

**16 Other current liabilities**

a. Statutory dues payable	2.27	2.41
	<b>2.27</b>	<b>2.41</b>

**17 Revenue from operations**

	For the year ended 31 March, 2018	For the year ended 31 March, 2017
<b>Other operating revenue</b>		
a. Bad Debts Recovered	1.26	1.27
b. Overdue Interest	0.84	1.84
c. Provisions for doubtful debts/ advances written back	13.80	26.70
	<b>15.90</b>	<b>29.81</b>

**18 Other income**

a. Interest income	0.26	0.56
b. Other income	0.26	0.10
	<b>0.52</b>	<b>0.66</b>

## NOTES TO FINANCIAL STATEMENTS (Contd...)



(All amounts in Lacs unless stated otherwise)

	For the year ended 31 March, 2018	For the year ended 31 March, 2017
<b>19 Employee benefits expense</b>		
a. Salary, wages and bonus	12.61	11.40
b. Contribution to provident and other funds	0.50	0.47
c. Staff welfare expenses	0.20	0.20
	<b>13.31</b>	<b>12.07</b>
<b>20 Depreciation and amortisation expense</b>		
a. Depreciation of plant, property and equipment	-	-
b. Amortisation of intangible assets	-	-
	-	-
<b>21 Finance cost</b>		
a. Bank Charges	0.01	-
	<b>0.01</b>	-
<b>22 Other expenses</b>		
a. Rates and taxes	0.30	0.08
b. Legal and professional	5.05	7.31
c. Repair and maintenance - others	0.09	0.43
d. Printing & Stationary	0.15	0.32
e. Travelling and conveyance	0.44	0.76
f. Advertisement & Publicity	0.92	0.87
g. Postage & Telephone	0.37	0.49
h. Payments to auditors (see Note 'A' below)	2.77	2.71
i. Director's Sitting Fees	0.72	0.54
j. Bad debts written off*	1,361.20	50.21
Less: Provision already held	<u>(1,358.47)</u>	<u>(50.21)</u>
k. AGM Expenses	5.36	4.89
l. Fee & Subscription	4.53	4.59
m. Claim / Compensation paid	-	0.07
n. Miscellaneous expenses	1.29	1.16
o. EGM Expenses	0.83	-
p. Provision for Doubtful Advances	253.82	-
	<b>279.37</b>	<b>24.22</b>
<b>Note:</b>		
A. Payments to auditors		
(i) Audit Fees	2.36	1.77
(ii) Other Services	0.26	0.94
(iii) Out of pocket expenses	0.15	-
	<b>2.77</b>	<b>2.71</b>

\* Refer Note 30 for doubtful loans and advances written off against provision already held

### 23 Commitments and contingencies

- 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 2017: Rs. Nil).
- 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.
- Contingent liabilities \*
  - 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.**

- 24 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.
- 25 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.
- 26 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.
- 27 The Company had accumulated losses as at the close of the financial year and loss for the year with its net worth continuing to stand fully eroded. However, the Company continues to focus on recovery of old delinquent loan assets through settlement/ compromise /legal action etc. arising out of it's earlier business of the NBFI. The management is considering various ways and means to enter into suitable business(s) and therefore the accounts have been prepared on Going Concern Basis.
- 28 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.
- 29 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.
- 30 During the year, the Company has reviewed the position of recoverable advances of Rs. 1358.47 lacs which had become doubtful of recovery in earlier years and were fully provided for. The same have been written off against provision already held wherever the prospects of recovery are Nil. Fresh provision of Rs. 253.82 lacs have been made during the year in such cases where recoverability has become doubtful.
- 31 The assets (54 Nos), which were financed by the Company prior to the year 2006 but repossessed after loan delinquencies, had been written down at Rs. 1,000/- in aggregate in the earlier years. The carrying amount have been written down on account of destruction/deterioration/non-saleability.
- 32 Trade receivables amounting to Rs. 704.86 lacs (Previous Year Rs. 716.75 lacs) represents cases against which legal actions/ settlements/compromises for recovery are in process. However, full provision is held against such receivables.
- 33 The 10% Redeemable Cumulative Preference Shares which were due for redemption on 27 June 2017 have been extended upto 30 March 2019. Accordingly said liability has been classified under current borrowings as on 31 March 2018.
- 34 Interest on preference shares amounting to Rs. 1805 lacs (previous year Rs. 1710 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.
- 35 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. 14,766.97 lacs as on 31 March 2018 (Rs. 14,729.89 lacs as on 31 March 2017) has been shown as "FD Redemption through Court approved arrangements" under "Non-Current Financial Liabilities".
- 36 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 2018, EBT has settled the claims to the extent of Rs. 37.44 lacs by payment to respective fixed deposit holders. The remaining liability towards unclaimed fixed deposits and interest thereon is Rs. 1095.13 lacs as on 31 March 2018 (Rs. 1132.57 lacs as on 31 March 2017) and is pending for deposit in Investor Education & Protection Fund.
- 37 The Company has not obtained Actuarial Valuation with regards to Employee's terminal benefits i.e., Gratuity and Leave Encashment as mandated by Ind AS-19 issued by the Institute of Chartered Accountants of India. In view of lesser number of employees on rolls, the Company has made provision for these benefits on actual basis as on the Balance Sheet date.



- 38** 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.
- 39** The reconciliation of advance tax/ TDS recoverable with the related tax liability for earlier years has been carried out during the year. The consequent impact of the same Rs. 178.80 lacs has been taken to statement of profit and loss under the head ' Tax Expense'.
- 40** Balances appearing under loans & advances, trade receivables, current assets and current liabilities are subject to confirmation in certain cases.
- 41** During the year, the Company has shifted its registered office from SCO 198-200, Second Floor, Sector-34A, Chandigarh 160022 to SCO 64-65, Third Floor, Sector 17A, Chandigarh 160017 within the union territory of Chandigarh vide board resolution dated 06 February 2018.
- 42** During the year, the Company has closed its 21 (twenty-one) branches, which were non-operational for a significant period of time, located in various states.

**43 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 Asset Management Limited (ceased to be associate on 20 February 2018)

Escorts Securities Limited (Associate since 31 March 2018)

**(d) Key Managerial Personnel**

Mr. Donald Fernandez Chief Financial Officer

Mr. Vicky Chauhan Company Secretary

**44 Related party transactions**

Investment in shares of Escorts Asset Management Limited as on 31 March 2018 is Rs. NIL (as on 31 March 2017 Rs. 489.93 lacs)

Investment in shares of Escorts Securities Limited as on 31 March 2018 is Rs. 146 lacs (as on 31 March 2017 Rs. NIL)

Salary paid to Mr. Donald Fernandez of Rs. 6.86 lacs (Previous Year : Rs. 6.24 lacs)

**45 Earning per share**

Particulars	31 March 2018	31 March 2017
Net profit attributable to the shareholders (Rs. in Lacs)	(97.47)	(5.82)
Weighted avg. number of outstanding equity shares during the year	40172500	40172500
Basic earning per share (in Rupees)	(0.24)	(0.01)
Diluted earning per share (in Rupees)	(0.24)	(0.01)

- 46** The Company has a single reportable segment namely financial services (limited to recovery of loan assets) for the purpose of Ind AS-108.
- 47** There are no event observed after the reported period which have an impact on the Company's operation.
- 48** 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: 16 May, 2018

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

**Donald Fernandez**  
Chief Financial Officer  
PAN AAAPF9140N



## TO THE MEMBERS OF ESCORTS FINANCE LIMITED

### 1. Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **ESCORTS FINANCE LIMITED** (hereinafter referred to as "the Holding Company") and its associate, comprising the Consolidated Balance Sheet as at 31 March 2018, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

### 2. Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Holding Company including its associates in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the Holding Company and its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Holding Company and its associate and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements 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.

### 3. Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under and the order under section 143 (11) of the Act.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

### 4. Basis of Qualified Opinion

Attention is invited to the following matters in the Notes to the Consolidated Financial Statements:

- (i) As detailed in Note 36 to the Consolidated financial statements, in case of Holding Company, the remaining liability towards unpaid/unclaimed fixed deposits including interest thereon is Rs. 1095.13 lacs as on balance sheet date and is pending for deposit in Investor Education & Protection Fund;**
- (ii) As detailed in Note 37 to the Consolidated financial statements, the Holding Company has not obtained Actuarial Valuation with regards to Employee's terminal benefits i.e., Gratuity and Leave Encashment as mandated by Ind AS-19 issued by the Institute of Chartered Accountants of India. In the absence of the same, the impact thereof on the profit and liabilities of the Company cannot be ascertained;**



## 5. Opinion

In our opinion and to the best of our information and according to the explanations given to us, **except for the effect of the matters described under the Basis for Qualified Opinion paragraph**, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Holding Company and its associate as at 31 March 2018, and its consolidated loss and its consolidated cash flows for the year ended on that date.

## 6. Emphasis of Matters

We draw attention to the following matter in the Notes to the Consolidated Financial Statements;

- (i) the Holding Company had accumulated losses at the close of the financial year and losses for the year with its net worth continuing to stand fully eroded and, however, the financial statements have been prepared on going concern basis for reasons explained by the management, including the possibilities of considering various ways and means to enter into suitable business(s). We have relied on the representation made to us by the management.
- (ii) the Holding 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.
- (iii) the Holding Company has reviewed the position of recoverable advances of Rs. 1358.47 lacs which had become doubtful of recovery in earlier years and were fully provided for. The same have been written off against provision already held wherever the prospects of recovery are Nil. Fresh provision of Rs. 253.82 lacs have been made during the year in such cases where recoverability has become doubtful.
- (iv) in case of Holding Company, the interest on preference shares amounting to Rs. 1805 lacs (previous year Rs. 1710 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.
- (v) in case of Holding Company, the reconciliation of advance tax/ TDS recoverable with the related tax liability for earlier year has been carried out during the year. The consequent impact of the same Rs. 178.80 lacs has been taken to statement of profit and loss under the head 'Tax Expense'.

Our opinion is not qualified in respect of the above matters.

## 7. Other Matters

The consolidated financial statements include the Holding Company's share of net profit of Rs. 0.01 lacs for the year ended 31 March 2018, 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.

The consolidated financial statements of the Company for the year ended 31 March 2017, were audited by another auditor who had expressed a qualified opinion on those consolidated financial statements vide their audit report dated 24 May 2017.

## 8. Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept 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, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.



- (d) **except for the effect of the matters described under the Basis for Qualified Opinion paragraph**, in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) The matter described in sub-paragraph (i) under the Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on functioning of the Holding Company.
- (f) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2018 taken on record by the Board of Directors of the Holding Company and reports of the statutory auditors of its associate company incorporated in India, none of the directors of the Holding Company and its associate company incorporated in India are disqualified as on 31 March 2018 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 controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Holding Company and associate company incorporated in India.
- (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:
- The Holding Company has made disclosure regarding pending litigations in its consolidated financial statements as referred in Note No.23(c) to the consolidated financial statements including claim against the Holding Company for which amount is presently not ascertainable;
  - The Holding Company and its associate did not have any foreseeable losses on long term contracts and had no derivative contracts outstanding as at 31 March 2018; and
  - The Holding Company has not deposited amount of Rs. 1095.13 lacs to the Investor Education and Protection Fund against unpaid fixed deposit liabilities including interest thereon as referred to in Note No.36 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: 16 May 2018

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

(Referred to in Paragraph 2 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 2018)

**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 2018, 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 2018, 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.

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

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

Place: Faridabad  
Date: 16 May 2018



# CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2018



(All amounts in Lacs unless stated otherwise)

Particulars	Note No.	As at 31 March, 2018	As at 31 March, 2017
<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	271.38	324.74
ii. Other financial assets	6	-	-
d. Other non-current assets	7	132.28	-
e. Income tax assets		60.19	60.20
		<b>464.05</b>	<b>385.14</b>
<b>2 Current assets</b>			
a. Inventories	8	-	0.01
b. Financial assets			
i. Investments	5	-	0.01
ii. Trade receivables	9	-	-
iii. Cash and cash equivalents	10	31.21	29.74
iv. Other financial assets	6	4.07	3.83
c. Other current assets	7	13.36	255.97
		<b>48.64</b>	<b>289.56</b>
		<b>512.69</b>	<b>674.70</b>
<b>Total assets</b>			
<b>Equity and liabilities</b>			
<b>1 Equity</b>			
a. Equity share capital	11	4,017.25	4,017.25
b. Other equity			
i. Retained earnings	12	(21,835.15)	(21,902.88)
		<b>(17,817.90)</b>	<b>(17,885.63)</b>
<b>2 Liabilities</b>			
<b>Non-current liabilities</b>			
a. Financial liabilities			
i. Borrowings	13	-	-
ii. Other financial liabilities	14	14,766.97	14,729.89
b. Provisions	15	3.16	2.76
		<b>14,770.13</b>	<b>14,732.65</b>
<b>Current liabilities</b>			
a. Financial liabilities			
i. Borrowings	13	950.00	950.00
ii. Other financial liabilities	14	2,597.87	2,686.03
b. Provisions	15	0.59	0.70
c. Current tax liabilities		9.73	188.54
d. Other current liabilities	16	2.27	2.41
		<b>3,560.46</b>	<b>3,827.68</b>
		<b>18,330.59</b>	<b>18,560.33</b>
		<b>512.69</b>	<b>674.70</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: 16 May, 2018

**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, 2018**


(All amounts in Lacs unless stated otherwise)

Particulars	Note No.	For the year ended 31 March, 2018	For the year ended 31 March, 2017
<b>I</b> Revenue from operations	17	15.90	29.81
<b>II</b> Other income	18	165.71	0.66
<b>III Total income</b>		<b>181.61</b>	<b>30.47</b>
<b>IV Expenses</b>			
Employee benefits expense	19	13.31	12.07
Depreciation and amortisation expense	20	-	-
Finance cost	21	0.01	-
Other expenses	22	279.37	24.22
<b>Total expenses (IV)</b>		<b>292.69</b>	<b>36.29</b>
<b>V Loss before share of profit/ (loss) of an Associates and tax (III-IV)"</b>		<b>(111.08)</b>	<b>(5.82)</b>
<b>VI Share of profit / (loss) of an Associates</b>		<b>0.01</b>	<b>(49.23)</b>
<b>VII Loss before Tax (V -VI)</b>		<b>(111.07)</b>	<b>(55.05)</b>
<b>VIII Tax expense</b>			
Current tax		-	-
Deferred tax credit	38	-	-
Tax adjustment of past years	39	178.80	-
		<b>178.80</b>	-
<b>IX Profit/(Loss) for the period (VII-VIII)</b>		<b>67.73</b>	<b>(55.05)</b>
<b>X Other comprehensive income</b>		-	-
<b>XI Total comprehensive income for the period (IX+X)</b>		<b>67.73</b>	<b>(55.05)</b>
<b>XII Earning per equity share</b>			
Equity shares of face value Rs. 10 each			
Basic	45	0.17	(0.14)
Diluted	45	0.17	(0.14)

**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: 16 May, 2018

**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, 2018



(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 2016</b>	<b>40,250,000</b>	<b>4,017.25</b>
Issue of equity share capital	-	-
<b>Balance as at 31 March 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>

## B. Other equity

Particulars	Retained earnings	Total
<b>Balance as at 1 April 2016</b>	<b>(21,847.83)</b>	<b>(21,847.83)</b>
Profit for the year	(55.05)	(55.05)
Other comprehensive income for the year, net of income tax	-	-
<b>Balance as at 31 March 2017</b>	<b>(21,902.88)</b>	<b>(21,902.88)</b>
Profit for the year	67.73	67.73
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>

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

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

Place: Faridabad  
Date: 16 May, 2018

**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

**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, 2018	For the year ended 31 March, 2017
<b>A. Cash flow from operating activities</b>		
<b>Profit/(loss) after tax</b>	67.73	(55.05)
<b>Adjustments for :</b>		
Share of (profit)/loss of an Associates	(0.01)	49.23
Income tax expense recognised in profit or loss	(178.80)	-
Depreciation of plant, property and equipment	-	-
Excess provision written back	(13.80)	(26.70)
Provision for Gratuity & Leave Encashment	0.29	0.34
Finance cost	0.01	-
	(124.58)	(32.18)
<b>Changes in assets and liabilities</b>		
(Increase)/decrease in other financial assets and inventory	(0.23)	0.52
(Increase)/decrease in trade receivables	13.80	26.70
(Increase)/decrease in other assets	255.21	(0.28)
Increase/(decrease) in trade payable	-	-
Increase/(decrease) in other liabilities	(13.78)	146.65
<b>Cash generated from operating activities</b>	<b>130.42</b>	<b>141.41</b>
Financial Expenses	(0.01)	-
<b>Net cash generated from operating activities</b>	<b>130.41</b>	<b>141.41</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/unclaimed)	(37.44)	(146.21)
<b>Net cash generated from/(used in) financing activities</b>	<b>(37.44)</b>	<b>(146.21)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>1.47</b>	<b>(4.80)</b>
Cash and cash equivalents at the beginning of year	29.74	34.54
<b>Cash and cash equivalents at the end of year</b>	<b>31.21</b>	<b>29.74</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

**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: 16 May, 2018

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

**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 2018 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 31.03.2018	As at 31.03.2017	
<b>Associates</b>			
Escorts Asset Management Limited	0.000%	48.993%	India
Escorts Securities Limited	20.857%	0.000%	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 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 results 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 recognised at cost, from the date that significant influence commences until 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.

## **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**

### **2.9.1 Defined benefit plans**

Retirement benefits in the form of Gratuity is considered as defined obligations and are provided for on the basis of actual, as at the date of the consolidated balance sheet.

### **2.9.2 Defined contribution plans**

The Company pays provident fund contributions to publicly administered provident funds as per regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

### **2.9.3 Compensated absences**

Compensated absences are provided for on the basis of actuals, as at the date of the Consolidated Balance Sheet.

## **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.

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 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).

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 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

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets.

##### 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 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**

	As at 1 April 2017	Additions	Adjustments	Deletions	As at 31 March 2018
<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 25 for physical verification of property, plant and equipment carried out during the year.

**Depreciation of property, plant & equipment**

Refer Note 26 for depreciation of property, plant and equipment.

**4 Intangible assets**

	As at 1 April 2017	Additions	Adjustments	Deletions	As at 31 March 2018
<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 26 for amortisation of intangible assets.



(All amounts in Lacs unless stated otherwise)

5 Investments

	As at 31 March, 2018	As at 31 March, 2017
<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	324.74
<b>Investment carried at amortised cost</b>		
Preference shares	125.37	-
	<u>271.38</u>	<u>324.74</u>
<b>Current investments</b>		
Fully paid equity shares (unquoted)	7.42	7.43
Less: Provision for Diminution in Value of Trade Investments	7.42	7.42
	<u>-</u>	<u>0.01</u>

**Details of investments is as follows**

**Non-current investments**

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

Escorts Asset Management Limited	-	489.93
NIL Equity Shares of Rs. 10/- each (31 March 2017 : 48,99,300)		
Add: Share of post acquisition reserve and surplus	-	(165.19)
	<u>-</u>	<u>324.74</u>
Escorts Securities Limited	146.00	-
14,60,000 Equity Shares of Rs. 10/- each (31 March 2017 : NIL)		
Add: Share of post acquisition reserve and surplus	0.01	-
	<u>146.01</u>	<u>-</u>
	<u>146.01</u>	<u>324.74</u>

**Others ( in preference shares ) - At Amortised Cost**

All Grow Finance & Investmen Private Limited	14.33	-
7,30,000 10% non-cummulative redeemable Preference Shares of Rs. 10/-each;		
Redeemable on or before 26.03.2035 (31 March 2017 : NIL)		
All Grow Finance & Investmen Private Limited	111.04	-
1,97,250 4% non- cummulative redeemable Preference Shares of Rs. 100/- each;		
Redeemable on or before 04.07.2023 (31 March 2017 : NIL)		
	<u>125.37</u>	<u>-</u>

**Changes in investments**

The Company had sold all the equity shares of Escorts Asset Management Limited on 20 February 2018 hence cease to be an associate on same date. Further, the Company has made following investments after getting appropriate approvals from its shareholders in extra ordinary general meeting held on 28 March 2018.

- a) in the equity shares of Escorts securities Limited : Rs.146.00 lacs ( date of investment 31 March 2018)  
 b) in Preference Shares of Allgrow Finance and Investment Private Limited : Rs. 270.25 lacs (date of investment 31 March 2018)

**Current investments**

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

Escorts Investment Trust Limited	-	0.01
NIL Equity Shares of Rs, 10/- each (31 March 2017 : 100)		
Escorts Consumer Credit Limited	0.02	0.02
1,90,000 Equity Shares of Rs. 10/- each (31 March 2017 : 1,90,000)		
G.R. Solvents & Allied Industries Limited	7.40	7.40
92,485 Equity Shares of Rs. 10/- each (31 March 2017: 92,485)		
	<u>7.42</u>	<u>7.43</u>



(All amounts in Lacs unless stated otherwise)

**6 Other financial assets**

	As at 31 March, 2018	As at 31 March, 2017
<b>Non-current other financial assets</b>		
<b>Unsecured; considered doubtful</b>		
Loans and Advances*	253.82	1,357.43
Less: Provision for bad & doubtful loan & advances	253.82	1,357.43
	-	-
<b>Current financial assets</b>		
Security deposits	3.73	3.73
Accrued interest	0.34	0.10
	<b>4.07</b>	<b>3.83</b>

\* Refer Note 30 for doubtful loans and advances written off against provision already held.

**Other assets**

**Other non-current assets**

Prepaid expenses@	132.28	-
	<b>132.28</b>	-

**Other current assets**

(Unsecured considered good unless otherwise stated)

Advances with public bodies	0.14	0.14
Prepaid expenses@	12.72	0.16
Other loans and advances	0.50	255.67
	<b>13.36</b>	<b>255.97</b>

@ includes amortised value of investment

**8 Inventories**

Stock of Repossessed Assets ^

(As certified by the Management)

	-	0.01
	-	<b>0.01</b>

^ Refer Note 31 for written off the carrying amount of repossessed assets (54nos)

**9 Trade receivables**

**Unsecured**

i. Considered good	-	-
ii. Considered doubtful§	704.86	716.75
	<b>704.86</b>	<b>716.75</b>
Less: Provision for bad and doubtful trade receivables	704.86	716.75
	-	-

§ Refer Note 32 for doubtful trade receivables

**10 Cash and cash equivalents**

Cash on hand*	-	0.24
Balances with banks in current accounts	31.21	29.50
	<b>31.21</b>	<b>29.74</b>

\* Amount is less than one thousand rupees.



(All amounts in Lacs unless stated otherwise)

**11 Share capital**

	As at 31 March, 2018		As at 31 March, 2017	
	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>

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

**Equity share capital**

	As at 31 March, 2018		As at 31 March, 2017	
	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, 2018		As at 31 March, 2017	
	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%

**12 Other Equity**

	As at 31 March, 2018	As at 31 March, 2017
<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	(25,692.08)	(25,637.03)
Add: Profit/(Loss) for the period	67.73	(55.05)
Balance at the end of 31 March 2018	<b>(25,624.35)</b>	<b>(25,692.08)</b>
<b>Balance at the end of 31 March 2018</b>	<b>(21,835.15)</b>	<b>(21,902.88)</b>



(All amounts in Lacs unless stated otherwise)

**13 Borrowings**

	As at 31 March, 2018	As at 31 March, 2017
<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 2017: 95,00,000)	950.00	950.00
	<b>950.00</b>	<b>950.00</b>

Refer note 33 for extension in Redemption of Cumulative Preference Shares

Refer Note 34 for waiver of outstanding interest on preference shares as on balance sheet date.

**14 Other Financial Liability**

**Other Non-Current Financial Liability**

a. FD Redemption through Court approved arrangements*	14,766.97	14,729.89
	<b>14,766.97</b>	<b>14,729.89</b>

**Other Current Financial Liability**

a. Matured / Unclaimed fixed deposits and interest thereon^	1,095.13	1,132.57
b. Other payable	1,502.74	1,553.46
	<b>2,597.87</b>	<b>2,686.03</b>

\*Refer Note 35 for amount repaid to its unclaimed /unpaid matured fixed deposits by Escorts Limited to bail out the liability of the Compnay under the directions of Hon'ble Delhi High Court.

\*Refer Note 36 for remaining liability towards unclaimed matured fixed deposits liability including interest thereon and is pending for deposit in Investor Education & Protection Fund.

**15 Provisions**

**Non-current Provisions**

**Provision for employee benefits**

a. Provision for gratuity	3.16	2.76
	<b>3.16</b>	<b>2.76</b>

**Current**

**Provision for employee benefits**

a. Provision for compensated absenses	0.59	0.70
	<b>0.59</b>	<b>0.70</b>

**16 Other current liabilities**

a. Statutory dues payable	2.27	2.41
	<b>2.27</b>	<b>2.41</b>

**17 Revenue from operations**

	For the year ended 31 March, 2018	For the year ended 31 March, 2017
<b>Other operating revenue</b>		
a. Bad Debts Recovered	1.26	1.27
b. Overdue Interest	0.84	1.84
c. Provisions for doubtful debts/ advances written back	13.80	26.70
	<b>15.90</b>	<b>29.81</b>

**18 Other income**

a. Interest income	0.26	0.56
b. Other income	0.26	0.10
c. Profit on sales of investment in associate company	165.19	-
	<b>165.71</b>	<b>0.66</b>



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

	<b>For the year ended 31 March, 2018</b>	<b>For the year ended 31 March, 2017</b>
<b>19 Employee benefits expense</b>		
a. Salary, wages and bonus	12.61	11.40
b. Contribution to provident and other funds	0.50	0.47
c. Staff welfare expenses	0.20	0.20
	<b>13.31</b>	<b>12.07</b>
<b>20 Depreciation and amortisation expense</b>		
a. Depreciation of plant, property and equipment	-	-
b. Amortisation of intangible assets	-	-
	-	-
<i>Refer note 26 for depreciation of property, plant &amp; equipment and amortisation of intangible assets.</i>		
<b>21 Finance cost</b>		
a. Bank Charges	0.01	-
	<b>0.01</b>	-
<b>22 Other expenses</b>		
a. Rates and taxes	0.30	0.08
b. Legal and professional	5.05	7.31
c. Repair and maintenance - others	0.09	0.43
d. Printing & Stationary	0.15	0.32
e. Travelling and conveyance	0.44	0.76
f. Advertisement & Publicity	0.92	0.87
g. Postage & Telephone	0.37	0.49
h. Payments to auditors (see Note 'A' below))	2.77	2.71
i. Director's Sitting Fees	0.72	0.54
j. Bad debts written off*	1,361.20	50.21
Less: Provision already held	<u>(1,358.47)</u>	<u>(50.21)</u>
k. AGM Expenses	5.36	4.89
l. Fee & Subscription	4.53	4.59
m. Claim / Compensation paid	-	0.07
n. Miscellaneous expenses	1.29	1.16
o. EGM Expenses	0.83	-
p. Provision for Doubtful Advances	253.82	-
	<b>279.37</b>	<b>24.22</b>
<b>Note:</b>		
A. Payments to auditors		
(i) Audit Fees	2.36	1.77
(ii) Other Services	0.26	0.94
(iii) Out of pocket expenses	0.15	-
	<b>2.77</b>	<b>2.71</b>

*\*Refer Note 30 for doubtful loans and advances written off against provision already held.*





**23 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 2017: 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.**

- 24 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.
- 25 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.
- 26 All the property, plant and equipment 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.
- 27 The Company had accumulated losses as at the close of the financial year with its net worth continuing to stand fully eroded. However the Company continues to focus on recovery of old delinquent loan assets through settlement/ compromise /legal action etc. arising out of it's earlier business of the NBFIs. The management is considering various ways and means to enter into suitable business(s) and therefore the accounts have been prepared on Going Concern Basis.
- 28 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.
- 29 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.
- 30 During the year, the Company has reviewed the position of recoverable advances of Rs. 1358.47 lacs which had become doubtful of recovery in earlier years and were fully provided for. The same have been written off against provision already held wherever the prospects of recovery are Nil. Fresh provision of Rs. 253.82 lacs have been made during the year in such cases where recoverability has become doubtful.
- 31 The assets (54 Nos), which were financed by the Company prior to the year 2006 but repossessed after loan delinquencies, had been written down at Rs. 1,000/- in aggregate in the earlier years. The carrying amount have been written down on account of destruction/deterioration/non-saleability.
- 32 Trade receivables amounting to Rs. 704.86 lacs (Previous Year Rs. 716.75 lacs) represents cases against which legal actions/ settlements/compromises for recovery are in process. However, full provision is held against such receivables.
- 33 The 10% Redeemable Cumulative Preference Shares which were due for redemption on 27 June 2017 have been extended upto 30 March 2019. Accordingly said liability has been classified under current borrowings as on 31 March 2018.
- 34 Interest on preference shares amounting to Rs. 1805 lacs (previous year Rs. 1710 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 share holders.
- 35 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.14,766.97 lacs as on 31 March 2018 (Rs. 14,729.89 lacs as on 31 March 2017) has been shown as "FD Redemption through Court approved arrangements" under "Non-Current Financial Liabilities".

- 36** 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 2018, EBT has settled the claims to the extent of Rs. 37.44 lacs by payment to respective fixed deposit holders. The remaining liability towards unclaimed fixed deposits and interest thereon is Rs. 1095.13 lacs as on 31 March 2018 (Rs. 1132.57 lacs as on 31 March 2017) and is pending for deposit in Investor Education & Protection Fund.
- 37** The Company has not obtained Actuarial Valuation with regards to Employee's terminal benefits i.e., Gratuity and Leave Encashment as mandated by Ind AS-19 issued by the Institute of Chartered Accountants of India. In view of lesser number of employees on rolls, the Company has made provision for these benefits on actual basis as on the Balance Sheet date.
- 38** 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.
- 39** The reconciliation of advance tax/ TDS recoverable with the related tax liability for earlier year has been carried out during the year. The consequent impact of the same Rs. 178.80 lacs has been taken to consolidated statement of profit and loss under the head 'Tax Expense'.
- 40** Balances appearing under loans & advances, trade receivables, current assets and current liabilities are subject to confirmation in certain cases.
- 41** During the year, the Company has shifted its registered office from SCO 198-200, Second Floor, Sector-34A, Chandigarh 160022 to SCO 64-65, Third Floor, Sector 17A, Chandigarh 160017 within the union territory of Chandigarh vide board resolution dated 06/02/2018.
- 42** During the year, the Company has closed its 21 (twenty-one) branches, which were non-operational for a significant period of time, located in various states.
- 43 Related party disclosures**
- (a) Holding Company**  
Escorts Limited
- (b) Parties with whom control exists:**  
Escorts Benefit & Welfare Trust
- (c) Key Managerial Personnel**
- |                      |                         |
|----------------------|-------------------------|
| Mr. Donald Fernandez | Chief Financial Officer |
| Mr. Vicky Chauhan    | Company Secretary       |
- 44 Related party transactions**  
Salary paid to Mr. Donald Fernandez of Rs. 6.86 lacs (Previous year : Rs. 6.24 lacs)
- 45 Earning per share**

Particulars	31 March 2018	31 March 2017
Net profit attributable to the shareholders (Rs. in Lacs)	67.73	(55.05)
Weighted avg. number of outstanding equity shares during the year	40172500	40172500
Basic earning per share (in Rupees)	0.17	(0.14)
Diluted earning per share (in Rupees)	0.17	(0.14)



**46 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 & Loss	Amount	As % of consolidated comprehensive income	Amount	As % of total comprehensive income	Amount
<b>Parent:</b>								
Escorts Finance Limited	101%	(17,963.91)	99.99%	67.72	0%	0	99.99%	67.72
<b>Associate:</b>								
Escorts Securities Limited	(1%)	146.01	0.01%	0.01	0%	0	0.01%	0.01
<b>Total</b>		<b>(17817.9)</b>		<b>67.73</b>		<b>0</b>		<b>67.73</b>

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

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

**49** The figures of 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: 16 May, 2018

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

**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	31 March, 2018
2	Date on which the associate was associated or acquired	31 March, 2018
3	Share of Associate by the Company on the year end.	
	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 consolidated	NA
6	Networth attribute to share holding as per latest audited Balance Sheet	123622351
7	Profit or Loss for the year	(10,00,171)
(i)	Considered in Consolidation	(572)
(ii)	Not Considered in Consolidation	(9,99,599)

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

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

**Sumit Raj**  
Director  
DIN: 07171298

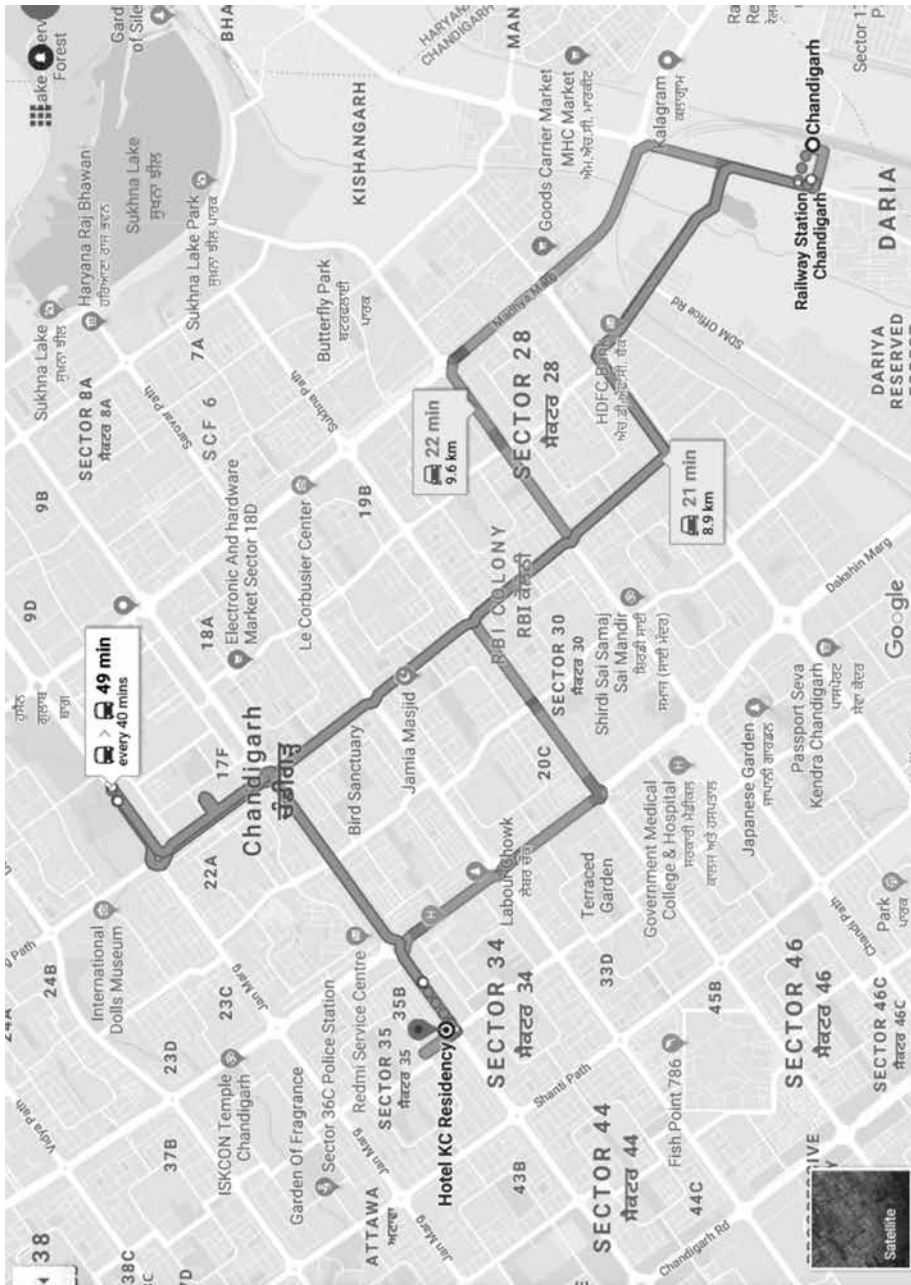
**Vicky Chauhan**  
Company Secretary  
M. No.: A27729

**Donald Fernandez**  
Chief Financial Officer  
PAN AAAPF9140N

Place: Faridabad  
Date: 16 May, 2018



## ROUTE MAP FOR ANNUAL GENERAL MEETING





Dear Shareholder,

Securities and 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, 1E/ 13, 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

----- Tear here -----

To  
Alankit Assignments Limited  
1E/ 13, 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	

**BLANK**

**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 **30<sup>th</sup> Annual General Meeting** of the Company being held at 3.00 P.M. on **Friday, September 28, 2018 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 21, 2018.**

----- 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 **30<sup>th</sup> Annual General Meeting (AGM)** of the Company to be held on **Friday, September 28, 2018 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 August 9, 2018.

Signed this \_\_\_\_ day of \_\_\_\_\_ 2018

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