

**Escorts Finance Limited**

15/5, Mathura Road, Faridabad-121003 (HR)  
Phone : 0129-2250222, 2564222  
E-mail : escortsfinance@escorts.co.in  
Website : www.escortsfinance.com  
CIN : L65910CH1987PLC033652



September 8, 2021

**BSE Limited**

Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai – 400 051

**BSE – 511716**

Dear Sirs,

**Sub: Annual General Meeting - Annual Report 2020-21**

This is to inform you that the Thirty Third Annual General Meeting (“AGM”) of the Company will be held on Thursday, September 30, 2021 at 03.00 p.m. IST through Video Conferencing / Other Audio Visual Means in compliance with the relevant circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India.

Pursuant to Regulation 34(1) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), the Annual Report of the Company along with the Notice of AGM for the financial year 2020-21, being sent through electronic mode to the Members, is attached.

Pursuant to Regulation 44 of Listing Regulations, Company is providing facility for remote e-Voting to its members whose names are recorded in Register of Members or Register of Beneficial Owner maintained by the Depositories as on the cut-off date i.e. Thursday, September 23, 2021 as the “Cut-off Date”. The remote e-Voting shall commence at 9:00 a.m. on Monday, September 27, 2021 and shall end at 5:00 P.M. on Wednesday, September 29, 2021.

The notice of AGM and Annual Report is also uploaded on the website of the Company i.e. [https://www.escortsfinance.com/escorts\\_finance\\_ar\\_2021.pdf](https://www.escortsfinance.com/escorts_finance_ar_2021.pdf).

You are requested to disseminate the above intimation on your website.

Thanking You,

**Yours Faithfully**

**For Escorts Finance Limited**

A handwritten signature in blue ink that reads 'Vicky'.

**Vicky Chauhan**

**Company Secretary**

**Encl: Notice of AGM & Annual Report**

**CC: 1. Central Depository Services (I) Limited, Mumbai**

**2. Alankit Assignments Limited, New Delhi**



**33<sup>rd</sup>**

**ANNUAL REPORT**

**2020-21**



**ESCORTS  
FINANCE  
LIMITED**



## COMPANY INFORMATION

### **Board of Directors**

Mr. Rajeev Khanna, Whole-time Director

Mr. Sumit Raj

Ms. Preeti Chauhan

Mr. Vinod Dixit

### **Registered Office**

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

**CIN:** L65910CH1987PLC033652

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

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

### **Company Secretary**

Mr. Vicky Chauhan

### **Chief Financial Officer**

Mr. Donald Fernandez

### **Statutory Auditors**

M/s Kapish Jain & Associates

### **Secretarial Auditors**

M/s Jayant Gupta & Associates

### **Internal Auditors**

M/s Jain Aarushi & Associates



## NOTICE

Notice is hereby given that 33rd Annual General Meeting ("AGM") of the members of ESCORTS FINANCE LIMITED ("Company") will be held through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") at 03:00 p.m. (Indian Standard Time) on Thursday, September 30, 2021, to transact the following business:-

### A. ORDINARY BUSINESS:

1. To consider and adopt the audited financial statement of the Company for the financial year ended March 31, 2021, the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Vinod Dixit (DIN 01147430), who retires by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS:

3. **To approve the re-appointment of Mr. Sumit Raj (DIN 07171298) as an Independent Director and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as "Special Resolution":**

**"Resolved That** pursuant to the provisions of Section 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with Schedule IV of the Act and the Company (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 Independent Director pursuant to the provisions of Section 149 of the Act and Articles of Association of the Company and holds office upto the date of this Annual General Meeting, who qualifies for being re-appointed as an Independent Director and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a period of 5 (five) consecutive years upto the conclusion of the 38th Annual General Meeting of the Company to be convened in the calendar year 2026."

### NOTES:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circulars dated April 8, 2020, April 13, 2020, May 5, 2020 and January 13, 2021 (collectively referred to as "**MCA Circulars**") and Securities and Exchange Board of India ("SEBI") vide circulars dated May 12, 2020 and January 15, 2021 (collectively referred to as "**SEBI Circulars**") have permitted the holding of the Annual General Meeting through VC/ OAVM ("**AGM**" or "**e-AGM**"), without the physical presence of the members of the Company at a common venue. Accordingly, in compliance with the provisions of the Act, MCA Circulars, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**") and SEBI Circulars, the AGM of the Company is being held through VC/ OAVM.

The deemed venue of the AGM shall be the registered office of the Company. The Company has engaged the services of M/s Central Depository Services (India) Limited, ("CDSL") as the Authorised Agency for conducting the e-AGM and providing e-voting facility for casting the votes by the members using an electronic voting system.

2. Since this AGM is being held through VC/ OAVM pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.
3. Members attending the AGM through VC/ OAVM shall be counted for the purpose of quorum under Section 103 of the Companies Act, 2013.
4. A copy of the Annual Report containing Audited Financial Statements for the financial year ended March 31, 2021 together with the Reports of the Board of Directors and Auditors' thereon are enclosed.
5. In compliance with the aforesaid MCA Circulars and SEBI Circulars, Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those members whose email addresses are registered with the RTA/ Depositories. Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website [www.escortsfinance.com](http://www.escortsfinance.com) and websites of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and website of cdsi at [www.evotingindia.com](http://www.evotingindia.com)



6. In order to enable the Company to comply with MCA circulars and to participate in the green initiative in Corporate Governance, members are requested to register their email addresses in respect of shares held in electronic form with their Depository Participant(s) and in respect of shares held in physical form by the following the steps herein below specified:

Shares held in Physical Form	Please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), Permanent Account Number (PAN) (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id
Shares held in Demat form	Please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to Company/RTA email id

7. The Register of Members and Share Transfer Books of the Company will remain closed from September 23, 2021 to September 30, 2021 (both days inclusive).

8. Members are informed that Share Transfer and related activities are being carried out by Alankit Assignments Limited, Registrar and Share Transfer Agent ("Alankit" or "RTA"), from the following address: -

**ALANKIT ASSIGNMENTS LIMITED**

Alankit House 4E/2,

Jhandewalan Extension,

New Delhi – 110 055

Tel.- +91-11-42541953

Fax: +91-11-23552001

E-mail id: [rt@alankit.com](mailto:rt@alankit.com)

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

9. Please send all correspondence including requests for transfer/ transmission of shares & change of address etc. to Alankit RTA.
10. 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.
11. 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).
12. Section 72 of the Act 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 RTA. This form is also available on the Company's website [www.escortsfinance.com](http://www.escortsfinance.com).
13. Relevant documents referred to in the accompany in Notice shall be available for inspection through electronic mode, basis the request being sent on [escortsfinance@escorts.co.in](mailto:escortsfinance@escorts.co.in).
14. 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.
15. 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.
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 Institutional/ Corporate members intending to attend the e-AGM through authorised representatives are requested to send to the Company/ Scrutinizer a certified true copy of the Board Resolution (PDF/ JPG format) authorising their representative to attend the e-AGM through VC/ OAVM and vote on their behalf by an email through its registered email address.
18. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.

**19. 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 SEBI 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").

The remote e-voting facility is available at the link [www.evotingindia.com](http://www.evotingindia.com). Please read the instructions before exercising your vote.

- II. The remote e-voting period commences on Monday, September 27, 2021 (9:00 am IST) and ends on Wednesday, September 29, 2021 (5:00 pm IST). The remote e-voting module shall be disabled by CDSL for voting thereafter. During this period, members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date i.e. September 23, 2021, shall be entitled to avail the facility of remote e-voting.
- III. The voting rights of members shall be in proportion to their share in the Paid-up Equity Capital of the Company as on the cut-off date i.e. September 23, 2021.
- IV. The facility for voting during the AGM shall also be made available and the Members who have not cast their vote by Remote e-voting shall be eligible to exercise their right during AGM.
- V. 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.

**Instructions for Voting:-**

- VI. In order to increase the participation of the shareholders and enhance the efficiency of the voting process and in pursuance of the SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020, remote e-Voting facility is being provided to all the Demat account holders, by way of single login credential, through their demat accounts/websites of Depositories/Depository Participants (DPs). Demat account holders would be able to cast their vote without having to register again with the e-Voting service provider ("ESP") thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Further, Shareholders are advised to update their mobile number and e-mail-id with their DPs in order to access e-Voting facility.
- A. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in Demat mode with CDSL/NSDL:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	1) Users who have opted for CDSL Easi/ Easiest facility, can login through their existing user ID and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/ Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.



	2)	After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/ LINKINTIME, so that the user can visit the e-Voting service providers' website directly.
	3)	If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a>
	4)	Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL	1)	If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
	2)	If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> . Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a>
	3)	Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
Individual Shareholders (holding securities in demat mode) login through their Depository Participants		You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.



**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk details for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL is as under:

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

**B. Login method for e-Voting and joining virtual meeting for shareholders other than individuals holding shares in Demat form:**

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

	For Shareholders holding shares in Physical Form and shareholders holding shares in demat form other than individual shareholders
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (3).</li> </ul>

- 7) After entering these details appropriately, click on "SUBMIT" tab.
- 8) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It





is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- 9) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- 10) Click on the EVSN for the relevant company<Escorts Finance Limited> on which you choose to vote.
- 11) 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.
- 12) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- 13) 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.
- 14) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- 15) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- 16) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- 17) Shareholders can also cast their vote using CDSL's mobile app "m-voting". The m-Voting app can be downloaded from respective App Store. Please follow the instructions as prompted by the mobile app while remote voting on your mobile.
- 18) Facility for Non – Individual Shareholders and Custodians –Remote Voting
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer at the email address viz; [pcs.jga@gmail.com](mailto:pcs.jga@gmail.com) and to the Company at the email address viz; [escortsfinance@escorts.co.in](mailto:escortsfinance@escorts.co.in), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM/EGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.



3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.
4. Shareholders are encouraged to join the Meeting through Laptops / iPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [escortsfinance@escorts.co.in](mailto:escortsfinance@escorts.co.in). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [escortsfinance@escorts.co.in](mailto:escortsfinance@escorts.co.in). These queries will be replied to by the company suitably by email. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
8. The Company reserves the right to restrict the number of speakers depending upon the availability of time for the AGM.
9. Further, the Members seeking information with regard to the Financial Statements or any other matter to be placed at the 33rd AGM are requested to write to the Company on or before September 24, 2021 mentioning their name, demat account number/folio number, email id and mobile number along with query to [escortsfinance@escorts.co.in](mailto:escortsfinance@escorts.co.in). These queries will be suitably replied by the Company through email.
10. Only those shareholders, who are present in the AGM/EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
11. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

#### **PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to company at [escortsfinance@escorts.co.in](mailto:escortsfinance@escorts.co.in) or to RTA at [rta@alankit.com](mailto:rta@alankit.com).
2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.
  20. 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 Company/ RTA.
  21. As per Regulation 40 of the SEBI Listing Regulations, as amended, securities of the listed companies can be transferred only in dematerialised form with effect from April 1, 2019, except in case of request received for transmission or transposition and re-lodged transfers of securities. Further, SEBI vide its circular no. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/236 dated December 2, 2020 had fixed March 31, 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only



indemat mode. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Shareholders holding shares in physical form are requested to consider converting their holdings to dematerialised form.

22. If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, 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) or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Shri Rakesh Dalvi, Sr. Manager, Central Depository Services (India) Limited, A Wing, 25 Floor, Marathon Futurex, Mafatal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

23. 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.
24. The Scrutinizer shall make, not later than 48 hours of the conclusion of the AGM, make a Consolidated Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company or a person authorised by him in writing, who shall countersign the same and declare the result of the voting forthwith.
25. 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.

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

**Sd/-  
Vicky Chauhan  
Company Secretary**

**Place: Faridabad  
Dated: August 31, 2021**

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

ITEM NO. 3

Mr. Sumit Raj was appointed as Independent Additional Director by the Board of Director of the Company on May 16, 2018 and was regularized as Director by the shareholders of the Company in their Annual General Meeting held on September 28, 2018 for a period of 3 consecutive years upto the conclusion of 33rd AGM.

Further, the Board on recommendation of Nomination and Remuneration Committee, in their meeting held on August 2, 2021, on the basis of the report of performance evaluation of Independent Directors, have recommended the re-appointment of Mr. Sumit Raj as Independent Director of the Company, not liable to retire by rotation, for a further period of 5 consecutive years upto the conclusion of 38th AGM to be convened in the year 2026.

Notices in writing pursuant to Section 160 of the Act, proposing his candidature as Independent Directors of your Company, have been received.

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 qualifications, brief resume and area of expertise etc. is annexed to this Notice.

Except Mr. Sumit Raj, being appointee(s), 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 Special Resolutions as set out at Item No. 3 of the Notice for approval of the members.

**Dear Shareholders,**

Your Directors are pleased to present the 33rd (Thirty Third) Annual Report, together with the Audited Financial Statements of the Company for the financial year ended March 31, 2021 and the Auditors' Report thereon.

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

<b>Particulars</b>	<b>Financial Year ended March 31, 2021</b>	<b>Financial Year ended March 31, 2020</b>
Gross Income	<b>27.32</b>	<b>50.30</b>
Profit/ (Loss) before write off, provisions & tax	<b>(1.05)</b>	<b>14.00</b>
Tax adjustment for earlier years	-	-
Profit/ (Loss) after Tax	<b>(1.05)</b>	<b>14.00</b>

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

**Dividend**

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

**Fixed Deposits**

An amount of Rs. 9.66 lacs has been paid to the Fixed Deposit holders during the financial year ended March 31, 2021. As on the said date, there is an unclaimed/ unpaid fixed deposit liability of Rs. 1060.18 lacs.

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

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

The Company is presently engaged in recovery of delinquent loan assets and settlement of old legal cases filed by/ against the Company. Your directors are exploring the possibilities of venturing into new business areas. During the year, the Company has also earned some other income.

**(ii) Opportunities and threats**

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

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

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

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

**(iv) Future Outlook**

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

**(v) Risks and Concerns**

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



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

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

## **(vii) Financial Performance**

The loss for the year after write offs/ provisions etc. and tax amounts to Rs. 1.05 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 accordance with the provisions of Companies Act, 2013 (hereinafter referred as "the Act") and Articles of Association of the Company, Mr. Vinod Dixit, Director retire by rotation at the ensuing AGM and being eligible, offer himself for re-appointment.

The shareholders of the Company had approved the appointment of Mr. Sumit Raj, Independent Director for a period of 3 (three) years till Annual General Meeting (AGM) to be held in the year 2021. The Nomination and Remuneration Committee in their meeting held on August 2, 2021 had recommended the re-appointment of Mr. Sumit Raj for a period of 5 years till AGM to be held in 2026. The Board of Directors of the Company had also approved the re-appointment of Mr. Sumit Raj for a period of 5 years.

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 proposed to be re-appointed, as required to be disclosed under Listing Regulations and other applicable provisions are provided as under:

<b>Particulars</b>	<b>Mr. Vinod Dixit</b>	<b>Mr. Sumit Raj</b>
Director Identification Number	01147430	07171298
Date of Birth and Age	10.12.1961 (59 Years)	18/08/1986 (35 years)
Date of Appointment	26.07.2019	16/05/2018
Qualifications	M.Com, LLB	B.Com, CS & LLB
Brief Resume and Area of Expertise	He is having approx. 37 years of experience in his field and is also having strong leadership skills which will be beneficial for the Company in the long run.  His appointment is done on the basis of his leadership quality and past experience.	Mr. Sumit Raj is an Associate Member of Institute of Company Secretaries of India.  He is having approx. 10 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)	1. Escorts Securities Ltd. 2. Escorts Consumer Credit Limited 3. EEWL Limited 4. Sietz Technologies India Pvt.	1. PKP Consultants Private Limited 2. Escorts Crop Solutions Limited 3. PKP Corporate Consultants LLP
Committee Memberships of other Companies (includes only Audit Committee and Stakeholders Relationship Committee)	Sietz Technologies India Pvt Ltd. Audit Committee: Member Escorts Securities Limited Risk & Audit Committee Committee: Chairman	Escorts Crop Solutions Limited - Audit Committee - Chairman
Number of shares held in the Company	-	-
Relationship between directors inter-se	There is no inter-se relationship between Mr. Vinod Dixit and other directors.	There is no inter-se relationship between Mr. Sumit Raj and other directors.
Terms and Conditions of appointment/ re-appointment along with details remuneration, if any	The directors have been appointed in terms of the provisions of Companies Act, 2013 and are responsible to undertake the roles and responsibilities prescribed under the Companies Act, 2013 and other laws for the time being in force. In addition, the Directors are also responsible to undertake the roles and responsibilities assigned by the Board from time to time.	The 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 Company has received declarations from all the Independent Directors of the Company confirming that they meet with criteria of independence as prescribed under subsection (6) of Section 149 of the Act and under Regulation 161(1)(b) & 25(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 (hereinafter referred as "the Listing Regulations")

The details of programme for familiarisation of Independent Directors with the Company, their roles, rights, responsibilities in 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.

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

The Company do not have any Subsidiary, Joint Venture or Associate 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.



In accordance with the Companies (Amendment) Act, 2017 enforced on May 7, 2019 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 2020-21. The Secretarial Audit Report for the financial year ended March 31, 2021 is enclosed as **Annexure – E** and forms an integral part of this Report.

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

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

**Note 34:** Complete facts have been disclosed in the note which is self-explanatory and do not call for any further comments.

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

All observations are self-explanatory and do not call for any further comment.

### **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**

Four 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.

### **Annual Return**

The Annual Return of the Company is available on the Company's website at [www.escortsfinance.com](http://www.escortsfinance.com).

### **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.

During the year, the Company along with other shareholders of Escorts Securities Limited (ESL) have entered into a Share Purchase Agreement (SPA) with M/s. Choice Equity Broking Private Limited (the Acquirer) a wholly owned Subsidiary of M/s. Choice International Limited, to sell and transfer their entire shareholding in ESL to the Acquirer, subject to obtaining all applicable regulatory approvals. Upon completion of the aforesaid transaction in terms of the SPA, Escorts Finance Limited will sell and transfer its entire 10.814% shareholding in ESL.

### **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 – D**.

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

Your directors draw attention of the members to Note 41 & 42 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.

### **Secretarial Standards**

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

### **Risk Management**

The Company has laid down a Risk Management Policy and the same is available on the website of the Company

### **Prevention of Sexual Harassment**

Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the provision related to constitution of internal complaint committee is not applicable on the Company.

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

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

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

There are no material changes affecting the financial position of the Company subsequent to the close of the financial year ended on March 31, 2021 till the date of this report.

### **Directors' Responsibility Statement**

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

- (i) in the preparation of the annual accounts for the year ended March 31, 2021, 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, 2021 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, 2021 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 31, 2021**

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



### **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, 2021, the Company's Board comprised of Four (4) Directors out of which two (2) are Independent Non-Executive Directors and One (1) is Non-Independent Non-Executive Director. Mr. Rajeev Khanna is Whole-time Director of the Company.

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 Board is of the opinion that the Independent Directors fulfil the conditions specified in these regulations and are independent of the management.

The Senior Management have made disclosure to the Board confirming that there are no material, financial and/ or commercial transactions between them and the Company, which could have potential conflict of interest with the Company at large.

The Company has devised a process where various presentations/ programs are being conducted to make the Directors familiarise with the Company and their roles and responsibilities in the Company. Those details for familiarisation of Independent Director are put up on the website of the Company –[www.escortsfinance.com](http://www.escortsfinance.com).



The details of Directors with regard to their directorships and committee positions as on 31.03.2021 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. Rajeev Khanna	Whole-time Director	Executive & Non Independent	4	Yes	2	NIL	NIL
Mr. Sumit Raj	Director	Non-Executive & Independent	4	Yes	2	1	1
Ms. Preeti Chauhan	Director	Non-Executive & Independent	4	Yes	2	1	NIL
Mr. Vinod Dixit	Director	Non-Executive & Non-independent	4	Yes	4	1	1

\* 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) Details of Director's Qualifications

### **Key Board Qualifications, Expertise and Attributes**

The Board of Escorts Finance Limited comprises of qualified members who bring in the required skills, competence and expertise that allow them to make effective contributions to the Board and its committees. The Board members are committed to ensure that Escorts Finance Limited is in compliance with highest standards of corporate governance.

The table below provides the key qualifications, skills and attributes which are broadly taken into consideration while nominating candidates to serve on the Board:

Details of Directors qualifications

Mr. Rajeev Khanna	Mr. Khanna have proficiency in leadership and complex cost & financial management.
Mr. Vinod Dixit	Mr. Dixit have widespread experience in leadership and legal matters.
Mr. Sumit Raj	Mr. Sumit Raj have vast knowledge in leadership, corporate governance, finance and law.
Ms.Preeti Chauhan	Ms. Chauhan specialize in leadership, corporate governance, finance and legal areas

## (iii) Board Meetings

During the year ended on March 31, 2021 the Board of Directors met Four (4) times on May 13, 2020, July 25, 2020, October 30, 2020, February 1, 2021.

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

### **Board Meeting Procedures**

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



### Information supplied to the Board

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

### (iii) Code of Conduct

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

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

### Declaration by C.E.O.

The Board of Directors,  
Escorts Finance Limited

Dear Sir,

I hereby confirm that:

The Company has received from the members of the Board and Senior Management, a declaration of Compliance with the Code of Conduct for Directors and Senior Management during the Financial Year ended on March 31, 2021.

Place: Faridabad  
Dated: August 02, 2021

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

### Whistle Blower Policy

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

### III. Audit Committee

#### (i) Constitution

As on March 31, 2021 the Audit Committee comprises of the following Directors:

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

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

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

### Terms of Reference

The Charter of the Committee is as prescribed under Section 177 of the Act read with the 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, reappointment 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 Directors' Report in terms of Clause (c) of sub-section 3 of Section 134 of the Act.
  - 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 utilization 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 Head 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 and the Secretarial Auditors.
23. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
24. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

The audit committee shall mandatorily review the following information:

- 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, if any;
- f. The Financial Statements, in particular, the investments made by the unlisted subsidiaries of the Company, in view of the requirements under the Listing Regulations;
- g. Details of material transactions with related parties, which are not in the normal course of business; and
- h. Details of material transactions with related parties or others, if any, which are not on arm's length basis, along with management's justification for the same.
- i. Statement of deviations: (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1). (b) annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice in terms of the Listing Regulations 32(7).

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 2020-21, Audit Committee met four (4) times on May 13, 2020, July 25, 2020, October 30, 2020 and February 1, 2021.

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

Name of Member	Number of meeting	
	Held	Attended
Mr. Sumit Raj (Chairman)	4	4
Ms. Preeti Chauhan	4	4
Mr. Rajeev Khanna	4	4

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



#### IV. Nomination & Remuneration Committee

##### Constitution

As on March 31, 2021 the Nomination & Remuneration Committee comprises of the following Directors:

The Nomination and Remuneration Committee comprises of following Directors:

Director	Designation	Category
Mr. Sumit Raj	Chairman	Non-Executive Independent Director
Ms. Preeti Chauhan	Member	Non-Executive Independent Director
Mr. Vinod Dixit	Member	Non-Executive 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 Evaluation Criteria and the Remuneration Policy shall form part of the Annual Report of the Company;
5. Recommend to the board, all remuneration, in whatever form, payable to senior management.
6. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors

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

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

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

##### Meetings and Attendance

During the financial year 2020-21, Nomination & Remuneration Committee met one (1) time on July 25, 2020.

##### 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, 2020 to March 31, 2021 are as under:

S.No.	Name of Member	Relationship with other Directors	Sitting Fees (in Rs.)
1.	Mr. Rajeev Khanna	*	16000
2.	Mr. Vinod Dixit	*	8000
3.	Mr. Sumit Raj	*	16000
4.	Ms. Preeti Chauhan	*	16000
<b>Total</b>			

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

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

As on March 31, 2021, none of the Directors of the Company held any share in the Company.

#### V. Stakeholders' Relationship Committee

##### (i) Constitution

As on March 31, 2021 the Stakeholders' Relationship Committee comprises of the following Directors:





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

#### (ii) Terms of Reference

The role of the committee shall inter-alia include the following:

- (1) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc.
- (2) Review of measures taken for effective exercise of voting rights by shareholders.
- (3) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- (4) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/ statutory notices by the shareholders of the Company.

#### (iii) Meetings and Attendance

During the financial year 2020-21, 3 (Three) meetings of the Stakeholders' Relationship Committee were held on July 25, 2020, October 30, 2020 and February 1, 2021.

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

Name of Member	Number of meeting	
	Held	Attended
Mr. Sumit Raj	3	3
Mr. Rajeev Khanna	3	3
Ms. Preeti Chauhan	3	3

#### (iv) Compliance Officer

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

#### (v) Whole-time Director

As on March 31, 2021, Mr. Rajeev Khanna 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, No Complaint(s) were received from investors therefore no complaint(s) are pending for redressal for the year 2020-21 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, 2021.

#### 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
2019-20	SCO 64-65, Third Floor, Sector 17 A Chandigarh - 160017	Wednesday, September 30, 2020	3:00 P.M.	NIL
2018-19	Hotel KC Residency, SCO-377-380, Sector-35B, Chandigarh-160035	Monday, September 30, 2019	3:00 P.M.	Two
2017-18	Hotel KC Residency, SCO-377-380, Sector-35B, Chandigarh-160035	Friday, September 28, 2018	3:00 P.M.	NIL

### Special Resolution passed through Postal Ballot

During the financial year 2020-21, 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.

### Commodity price risk or foreign exchange risk and hedging activities

The Company does not have any exposure hedged through commodity derivatives for commodity risk

### Payment to Auditors

Kindly refer note no. 21 of notes to financial statements.

## 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, 2021 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.

- c. Whistle Blower policy and affirmation that no personnel has been denied access to the Audit Committee:

The Ethics Counsellor or the Chairman of the Audit Committee has not received any complaint/ report during the period under review and no employee was denied access to the Audit Committee.

- d. Details of the compliance with mandatory requirement of and adoption of the non-mandatory requirement of this clause.

The details of mandatory requirements along with status of adoption of the non-mandatory requirement are mentioned in this Report.

- e. Certification from Company Secretary in Practice

A certificate has been received from M/s. Jayant Gupta & Associates, Practicing Company Secretaries, that none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by SEBI/ Ministry of Corporate Affairs or any such statutory authority. The said certificate is available on the website of the Company at [www.escortsfinance.com](http://www.escortsfinance.com).

- f. Policy for determining 'Material Subsidiaries'

The Policy for determining Material Subsidiaries is available on the website of the Company [www.escortsfinance.com](http://www.escortsfinance.com) under Investor Information Section.

- g. Policy on dealing with Related Party Transactions

The Policy on dealing with Related Party Transactions is available on the website of the Company [www.escortsfinance.com](http://www.escortsfinance.com) under Investor Information Section.



- h. Disclosure with respect to Demat Suspense Account/ Unclaimed Suspense Account  
There were no equity shares which need to be transferred to IEPF Account.
- i The Company has complied with all the compliances given under Regulation 17 to 27 and Regulation 46(2)(b) to 46(2)(i) of the Listing Regulations.

#### **IX. Means of Communication**

Key Financial reporting dates during the financial year 2020-21.

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

- For Quarter ended 30.06.20: Financial Express (English), Jansatta (Hindi).
- For Quarter ended 30.09.20: Financial Express (English), Jansatta (Hindi).
- For Quarter ended 31.12.20: Financial Express (English), Jansatta (Hindi).
- For Quarter/ Year ended 31.03.21: Financial Express (English), Jansatta (Hindi).

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

#### **Management Discussion And Analysis**

The Management Discussion and Analysis and Risk Management forms an integral part of this Annual Report

#### **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	:	Thursday, September 30, 2021
Time	:	3:00 P.M.
Venue	:	AGM through Video Conferencing/ Other Audio Visual Means. Deemed Venue will be registered office of the Company.

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

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

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 2020-21 (tentative)**

Meetings of Board/ Committee thereof to take on record:

Financial results for quarter ended June 30, 2021	:	By August 14, 2021
Financial results for quarter ended September 30, 2021	:	By November 14, 2021
Financial results for quarter ended December 31, 2021	:	By February 14, 2022
Financial results for quarter/ year ended March 31, 2022	:	By May 30, 2022

**(vi) Annual General Meeting for the Financial Year ending March, 2021:** By September 30, 2021.

##### **(vii) Book Closure**

The members register will be closed from September 23, 2021 to September 30, 2021 (both days inclusive) for the purpose of Annual General Meeting.

##### **(viii) Dividend**

The Board does not recommend any dividend for the year.



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

September 23, 2021 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, 4E/2, 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, 2021 were as follows:

Month	High		Low	
	BSE Sensex	Share price (in Rs.)	BSE Sensex	Share price (in Rs.)
April 2020	33887.25	1.81	27500.79	1.48
May 2020	32845.48	1.81	29968.45	1.36
June 2020	35706.55	3.33	32348.10	1.58
July 2020	38617.03	3.64	34927.20	2.56
August 2020	40010.17	2.61	36911.23	2.33
September 2020	39359.51	3.25	36495.98	2.55
October 2020	41048.05	4.86	38410.20	2.89
November 2020	44825.37	3.62	39334.92	2.83
December 2020	47896.97	3.88	44118.10	2.66
January 2021	50184.01	5.17	46160.46	3.28
February 2021	52516.76	4.45	46433.65	2.94
March 2021	51821.84	3.46	48236.35	2.8

### (xiv) Distribution of Shareholding as on March 31, 2021: -

No. of shares	No. of shareholders	No. of shares held	% of Total
1-500	22428	2768949	6.88
501-1000	1012	888388	2.21
1001-2000	491	791162	1.96
2001-3000	210	550709	1.37
3001-4000	96	347536	0.86
4001-5000	120	575049	1.43
5001-10000	187	1459447	3.63
10001-Above	109	32868760	81.66
<b>TOTAL</b>	<b>24652</b>	<b>40250000</b>	<b>100.00</b>

**(xv) Shareholding Pattern as on March 31, 2021:**

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	NIL	NIL	NIL
c) FIIs/ VCs etc.	NIL	NIL	NIL
<b>Non Institutions:</b>			
a) Private Bodies Corporate	89	2409009	5.98
b) Indian Public	24312	9124948	23.05
c) NRIs/ OCBs etc.	39	135797	0.34
d) Others	207	403868	1.01
<b>TOTAL</b>	<b>24914</b>	<b>40250000</b>	<b>100.00</b>

**(xvi) Dematerialisation**

As on March 31, 2021, dematerialized shares accounted for 95.84% (95.83% up to March 31, 2020) of the total equity shares.es.

**(xvii) Shares Liquidity**

The trading volumes at BSE Limited during the financial year ended March 31, 2021 are as follows:

Month	No. of Shares	Value (in Rs.)
April 2020	54210	93,523
May 2020	66288	1,07,592
June 2020	275549	6,62,292
July 2020	125064	3,99,983
August 2020	111098	2,73,054
September 2020	346191	10,25,557
October 2020	104602	4,18,362
November 2020	22492	68,894
December 2020	135720	4,16,665
January 2021	264304	11,70,375
February 2021	217553	8,00,138
March 2021	286100	9,01,902

**(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  
15/5, Mathura Road  
Faridabad – 121 003  
Tel: (0129) 2564116  
Fax: (0129) 2250060



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

AAlankit Assignments Limited

Alankit Heights, 4E/2

Jhandewalan Extension

New Delhi – 110055

Tel.- +91-11-42541953,

Fax: +91-11-23552001

Email-id:- rta@alankit.com,

**(xxi) Non-Mandatory Requirements**

The status/ extent of compliance with non-mandatory requirements are as follows:

<b>S No.</b>	<b>Non Mandatory Provisions</b>	<b>Status</b>
1.	Maintenance of Non-Executive Chairman's Office	Company do not have any Non-Executive Chairman.
2	Separate Posts of Chairman and CEO	The Company will comply with the applicable provisions.
3.	Reporting of Internal Auditor	The Internal Auditors reports to the Audit Committee from time to time.

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

**Place: Faridabad**  
**Dated: August 31, 2021**

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



### **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, 2021.

To,  
The Board of Directors  
Escorts Finance Limited

Dear Sir,

We, Rajeev Khanna, 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, 2021 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 10, 2021**

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

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



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

To,  
The Members  
**Escorts Finance Limited**

- (1) We have examined the compliance of conditions of Corporate Governance by the Escorts Finance Limited ("the Company"), for the year ended on March 31, 2021, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India ('Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

### **Management Responsibility**

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

### **Auditor's Responsibility**

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

### **Opinion**

- (6) Based on our procedures performed by us and to the best of our information and according to the explanations provided to us, in our opinion, the Company has complied, in all material respects, with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Listing Regulations during the year ended March 31, 2021.

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

### **Restriction on use**

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

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

**Place: Delhi**  
**Dated: August 14, 2021**

Sd/-  
**CA Kapish Jain**  
**Partner**  
**M.No. 514162**  
**UDIN: 21514162AAAHT6753**





**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 2020-21, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2020-21, 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 2020-21 (Rs. In Lacs)	% Increase in Remuneration in the financial year 2020-21	Ratio of remuneration of each Director/ to median remuneration of employees
1.	Mr. Rajeev Khanna, Executive Director	0.16	0	0.04
2.	Mr. Sumit Raj, Non-Executive Director	0.16	0	0.04
3.	Ms. Preeti Chauhan, Non-Executive Director	0.16	0	0.04
4.	Mr. Vinod Dixit, Non-Executive Director	0.08	0	0.02
5.	Mr. Donald Fernandez, Chief Financial Officer	8.54	3.64	Not Applicable
6.	Mr. Vicky Chauhan, Company Secretary	0	0	

- (i) In the financial year, there was NIL increase in the median remuneration of employees.
- (ii) There were 3 permanent employees on the rolls of the Company as on March 31, 2021.
- (iii) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2020-21 was 0.15% whereas no managerial remuneration was paid during the financial year.
- (iv) 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.
- (v) 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
- (vi) 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 31, 2021**

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

**Form No. AOC-2**

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

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

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

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

**Place: Faridabad  
Dated: August 31, 2021**

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



**FORM NO. MR-3**  
**Secretarial Audit Report**  
**(For the Financial Year ended March 31, 2021)**

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

To,  
**The Members**

**ESCORTS FINANCE LIMITED**

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

**Chandigarh-160017 HARYANA**

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

Based on my verification of Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2021 ("Audit Period"), complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by EFL for the Financial Year ended on March 31, 2021 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;
  - 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, 2018;
    - (d) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015;

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India with regard to the Board and General Meetings.

2. During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the observations that :
  - (i) There was delay in payment of Annual Listing Fee to BSE Limited for the year 2020-21. While the extended due date for payment of Listing Fee was 30th June, 2020, the Company made payment to BSE Limited through cheque in July 2020. Further, due to prevailing COVID restrictions in Mumbai, BSE Limited inadvertently failed to encash the listing fee cheque within its validity and therefore, requested the



Company to make payment electronically. The fee was paid by the Company electronically on November 21, 2020.

- (ii) *At the end of Financial Year on March 31, 2021, there is unclaimed/ unpaid fixed deposit liability of Rs. 1060.18 Lacs pending to be deposited with Investor Education and Protection Fund.*
- (iii) *The application of the Company to the Central Government for condoning delay in filing of e-Form MGT-14 in respect of appointment of a Key Managerial Person on the Board of the Company on June 4, 2019, is to be filed again by the Company due to some inadvertent filing error which had crept in the earlier approved application. Hence, the Company is in the process of filing another application for condonation of delay with the Central Government.*

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. 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.
- b. 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 or at a shorter notice with requisite consent, 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.
- c. Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

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

**I further report that** the following specific events/actions which may have a major bearing on the Company's affairs:

- 1. During the Financial Year 2018-19, the Company filed a petition before the National Company Law Tribunal, Chandigarh Bench (NCLT) seeking permission for issuance of 1% Cumulative Redeemable Preference Shares with the new terms and conditions in place of existing 10% Cumulative Redeemable Preference Shares. The Company had issued and allotted 95,00,000 - 10% (Ten percent) Cumulative Redeemable Preference Shares with face value of INR 10 (Rupees Ten only) each, aggregating to INR 9,50,00,000 (Rupees Nine Crore and Fifty Lakh only) to Escorts Limited vide resolution of the Committee of Directors of the Company for Banking and Legal Matters dated March 31, 1999 and these Cumulative Redeemable Preference Shares matured on March 30, 2019. Due to liquidity crunch, the said liability could not be discharged before or on the due date for the redemption. The Company received no objection from the Cumulative Redeemable Preference Shares holders for further issue of 1% Cumulative Redeemable Preference Shares for a period of 20 (twenty) years in lieu of the existing 10% Cumulative Redeemable Preference Shares and accordingly moved a petition before the NCLT. The aforesaid matter is still pending before the NCLT.
- 2. Please refer to para 2(ii) hereinabove.

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

For **Jayant Gupta and Associates**

Sd/-

**(Jayant Gupta)**

**Practicing Company Secretary**

**FCS : 7288**

**CP : 9738**

**UDIN: F007288C000783679**

**Place : New Delhi**

**Date : August 13, 2021**



**Annexure to the Secretarial Audit Report of Escorts Finance Limited for financial year ended March 31, 2021**

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. The review of some original registers, records and documents of the Company was hampered during the audit and certain audit procedures cannot be performed in view of COVID 19 Global pandemic. I have relied upon the books, records and documents made available by the Company to us through electronic means and in digital format.
4. 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.
5. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
6. 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.
7. 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 13, 2021**

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



## TO THE MEMBERS OF ESCORTS FINANCE LIMITED

To the Members of **Escorts Finance Limited**

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

#### Qualified Opinion

We have audited the accompanying standalone financial statements of Escorts Finance Limited ("the Company") which comprises the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, **except for the effects of the matter described in the Basis for Qualified Opinion section of our report**, the aforesaid standalone financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021 and loss, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

#### Basis for Qualified Opinion

***As detailed disclosure in Note 34 to the standalone financial statements, the remaining liability towards unclaimed fixed deposits and interest thereon is Rs. 1060.18 lacs as on 31 March 2021 (Rs.1069.84 lacs as on 31 March 2020) and the same is pending for deposit in Investor Education & Protection Fund.***

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

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

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

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

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

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



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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with accounting principles generally accepted in India, including Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to Financial Statements in place and the operating effectiveness of such controls.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

### **Emphasis of Matters**

- (a)** the Company had accumulated losses at the close of the financial year with its net worth continuing to stand fully eroded and, however, the financial statements have been prepared on a going concern basis for reasons explained by the management, including the possibilities of considering various options to undertake suitable business(s) and exploring the options of revival or restructuring of the Company. We have relied on the representation made to us by the management.
- (b)** the Company is no longer registered with Reserve Bank of India (RBI) as Non-Banking Financial Institution (NBFI) after cancellation of its earlier registration vide RBI letter no DNBS(NDI) S.3242/MSA/06.05.001/2015-16 dated 6th May 2016. Accordingly, the related provisions pertaining to NBFI are currently not applicable to the Company.





- (c) the Company had issued 10% Cumulative Redeemable Preference Shares of Rs. 10 each maturing on 30 March 2019. Due to liquidity crunch, the discharge the said liability before or on due date of redemption has not been done. The Company has received a No Objection Certificate from the preference share holder extending the maturity period of said Preference Shares for a further period of 20 years. Accordingly, the Company has filed a petition before National Company Law Tribunal (NCLT) on 29 March 2019 seeking issuance of 1% Cumulative Redeemable Preference Shares in place of said Preference Shares with new terms and conditions. This aforesaid matter is pending for hearing before NCLT.
- (d) Since the matter related to issuance of 1% Cumulative Redeemable Preference Shares in place of existing 10% Cumulative Redeemable Preference Shares is pending before NCLT, therefore, the Company has not made any provision for interest payable on the borrowed amount.

Our opinion is not modified in respect of these matters.

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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of change in equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
  - (d) **Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above**, in our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
  - (e) The matter described in sub-paragraph (a) under the Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
  - (f) On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (g) With respect to the adequacy of the Internal Financial Control with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:



In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/payable by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 23(c) to the Standalone financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. The Company has not deposited amount of Rs. 1060.18 lacs to the Investor Education and Protection Fund against unpaid fixed deposit liabilities including interest thereon as referred to in Note 34 to the Standalone financial statements.

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

Sd/-  
**CA Kapish Jain**  
*Partner*

Membership No. 514162  
UDIN 21514162AAAAFM6221

Place: New Delhi  
Date: 10 May 2021



## 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 2021)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (b) The Property, Plant and Equipment have been physically verified by the management during the year and according to the information and explanation given to us, no material discrepancies were noticed on such verification between books records and the physical inventories. In our opinion, the frequency of physical verification of Property, Plant and equipment is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us and the records examined by us, the Company does not own/hold any immovable property. Accordingly, the provisions of clause 3(i)(c) of the Order are not applicable.
- (ii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not hold any inventory during the year. Accordingly, the provisions of clause (ii) of the Order are not applicable.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Consequently, Clause (iii)(a), (iii)(b) and (iii)(c) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not dealt with any loans, guarantee, investments and security under the provision of section 185 and 186 of the Companies Act 2013. Consequently, Clause (iv) of the Order is not applicable to the Company.
- (v) In respect of any deposits accepted from the public, in our opinion and according to the information and explanation given to us, the directives issued by Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013, the Company had not complied with the said norms in relation to repayment of deposit on their respective maturity dates. However, M/s Escorts Benefit Trust (EBT) created by Escorts Limited maintains adequate funds to repay the matured unpaid fixed deposit liability, in terms of the direction of Hon'ble Delhi High Court. During the year ended 31 March 2021, EBT has settled the claims to the extent of Rs. 9.66 lacs by repayment to respective fixed deposit holders. The remaining liability towards unclaimed fixed deposits and interest thereon is Rs. 1060.18 lacs as on 31 March 2021 (Rs. 1069.84lacs as on 31 March 2020) and the same is pending for deposit in Investor Education & Protection Fund.
- (vi) In our opinion and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company. Consequently, Clause (vi) of the Order is not applicable to the Company.
- (vii) a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales-Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and any other dues, during the year, with the appropriate authorities.
- No undisputed amount is payable as at 31 March 2021, for a period of more than six months from the date they became payable **except income tax liability amounting to Rs. 9.73 lacs.**
- b) According to the information and explanations given to us, the following statutory dues (details with regard to matters under litigations have been made based upon the management representation) have not been deposited with the appropriate authorities on account of any dispute:



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

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

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

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

Sd/-  
**CA Kapish Jain**  
Partner

Place: New Delhi  
Date: 10 May 2021

Membership No. 514162  
UDIN 21514162AAAAFM6221



## **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 2021)

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

We have audited the internal financial controls over financial reporting of **ESCORTS FINANCE LIMITED** ("the Company") as at 31 March 2021, 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 2021, 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

Sd/-  
**CA Kapish Jain**  
*Partner*

Membership No. 514162  
UDIN 21514162AAAAFM6221

Place: New Delhi  
Date: 10 May 2021

# BALANCE SHEET AS AT 31 MARCH, 2021



(All amounts in Lacs unless stated otherwise)

Particulars	Note No.	As at	
		31 March, 2021	31 March, 2020
<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	167.10	285.13
ii. Other financial assets	6	-	-
d. Other non-current assets	7	86.36	103.16
e. Income tax assets		63.22	62.18
<b>Total non current assets</b>		<b>316.88</b>	<b>450.67</b>
<b>2 Current assets</b>			
a. Financial assets			
i. Investments	5	-	-
ii. Trade receivables	8	8.00	2.60
iii. Cash and cash equivalents	9	0.56	16.98
iv. Other financial assets	6	4.82	4.56
b. Other current assets	7	18.04	16.45
<b>Total current assets</b>		<b>31.42</b>	<b>40.59</b>
<b>3 Assets held for sales</b>			
<b>Total assets</b>	10	<b>137.09</b>	<b>-</b>
<b>Equity and liabilities</b>		<b>485.39</b>	<b>491.26</b>
<b>1 Equity</b>			
a. Equity share capital	11	4,017.25	4,017.25
b. Other equity			
i. Retained earnings	12	(21,864.40)	(21,867.14)
<b>Total equity</b>		<b>(17,847.15)</b>	<b>(17,849.89)</b>
<b>2 Liabilities</b>			
<b>Non-current liabilities</b>			
a. Financial liabilities			
i. Borrowings	13	-	-
ii. Other financial liabilities	14	14,801.86	14,792.21
b. Provisions	15	2.55	2.39
<b>Total non-current liabilities</b>		<b>14,804.41</b>	<b>14,794.60</b>
<b>Current liabilities</b>			
a. Financial liabilities			
i. Borrowings	13	950.00	950.00
ii. Other financial liabilities	14	2,565.31	2,581.26
b. Provisions	15	0.05	3.61
c. Current tax liabilities		9.73	9.73
d. Other current liabilities	16	3.04	1.95
<b>Total current liabilities</b>		<b>3,528.13</b>	<b>3,546.55</b>
<b>Total equity and liabilities</b>		<b>485.39</b>	<b>491.26</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: New Delh  
Date: 10 May, 2021

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

**Rajeev Khanna**  
Whole Time Director  
DIN: 08471497  
Place : Faridabad

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

**Sumit Raj**  
Director  
DIN: 07171298  
Place : Faridabad

**Donald Fernandez**  
Chief Financial Officer  
PAN AAAPF9140N  
Place : New Delhi

# STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31 MARCH, 2021



(All amounts in Lacs unless stated otherwise)

Particulars	Note No.	For the year ended 31 March, 2021	For the year ended 31 March, 2020
<b>I</b> Revenue from operations	17	0.01	9.39
<b>II</b> Other income	18	27.31	40.91
<b>III Total income</b>		<b>27.32</b>	<b>50.30</b>
<b>IV Expenses</b>			
Employee benefits expense	19	14.94	16.06
Depreciation and amortisation expense	20	-	-
Finance cost	21	-	0.01
Other expenses	22	13.43	20.23
<b>Total expenses (IV)</b>		<b>28.37</b>	<b>36.30</b>
<b>V Profit/(Loss) before tax (III-IV)</b>		<b>(1.05)</b>	<b>14.00</b>
<b>VI Tax expense</b>			
Current tax		-	-
Deferred tax credit	37	-	-
		<b>-</b>	<b>-</b>
<b>VII Profit/(Loss) (V-VI)</b>		<b>(1.05)</b>	<b>14.00</b>
<b>VIII Other comprehensive income</b>			
Items that will not be reclassified to profit and loss		3.79	(13.80)
Income Tax relating to Items that will not be reclassified to profit and loss		-	-
<b>IX Total comprehensive income (VII+VIII)</b>		<b>2.74</b>	<b>0.20</b>
<b>X Earning per equity share</b>			
Equity shares of face value Rs. 10 each			
Basic	43	(0.003)	0.035
Diluted	43	(0.003)	0.035

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: New Delhi  
Date: 10 May, 2020

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

**Rajeev Khanna**  
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DIN: 07171298  
Place : Faridabad

**Donald Fernandez**  
Chief Financial Officer  
PAN AAAPF9140N  
Place : New Delhi



# STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2021



(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 2019</b>	<b>40,250,000</b>	<b>4,017.25</b>
Issue of equity share capital	-	-
<b>Balance as at 31 March 2020</b>	<b>40,250,000</b>	<b>4,017.25</b>
Issue of equity share capital	-	-
<b>Balance as at 31 March 2021</b>	<b>40,250,000</b>	<b>4,017.25</b>

## B. Other equity

Particulars	Retained earnings	Equity instruments through other comprehensive income	Total
<b>Balance as at 1 April 2019</b>	<b>(21,828.47)</b>	<b>(38.87)</b>	<b>(21,867.34)</b>
Changes in accounting policy or prior period errors	-	-	-
Restated balance at the beginning of the reporting period	-	-	-
Total Comprehensive Income for the year	-	-	-
Profit for the year	14.00	-	14.00
Remeasurement benefit of defined benefit plans	(0.81)	-	(0.81)
Other comprehensive income for the year, net of income tax	-	(12.99)	(12.99)
<b>Balance as at 31 March 2020</b>	<b>(21,815.28)</b>	<b>(51.86)</b>	<b>(21,867.14)</b>
Profit/(loss) for the year	(1.05)	-	(1.05)
Remeasurement benefit of defined benefit plans	-	-	-
Other comprehensive income for the year, net of income tax	-	3.79	3.79
<b>Balance as at 31 March 2021</b>	<b>(21,816.33)</b>	<b>(48.07)</b>	<b>(21,864.40)</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: New Delhi  
Date: 10 May, 2020

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

**Rajeev Khanna**  
Whole Time Director  
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M. No.: A27729  
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**Sumit Raj**  
Director  
DIN: 07171298  
Place : Faridabad

**Donald Fernandez**  
Chief Financial Officer  
PAN AAAPF9140N  
Place : New Delhi

# STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH, 2021



(All amounts in Lacs unless stated otherwise)

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
<b>A. Cash flow from operating activities</b>		
<b>Profit/(loss) after tax</b>	2.74	0.20
<b>Adjustments for :</b>		
Excess provision written back	-	(3.44)
Provision for Gratuity & Leave Encashment	0.45	0.78
Finance cost	-	0.01
	<u>3.19</u>	<u>(2.45)</u>
<b>Changes in assets and liabilities</b>		
(Increase)/decrease in other financial assets and inventory	(0.26)	(0.26)
(Increase)/decrease in trade receivables	(5.40)	0.84
(Increase)/decrease in current tax assets	(1.04)	(1.99)
(Increase)/decrease in other assets	(3.85)	12.69
Increase/(decrease) in trade payable	-	-
Increase/(decrease) in current tax liabilities (net)	-	-
Increase/(decrease) in other liabilities	0.60	18.32
<b>Cash generated from operating activities</b>	<b>(6.76)</b>	<b>27.15</b>
Financial Expenses	-	(0.01)
<b>Net cash generated from operating activities</b>	<b>(6.76)</b>	<b>27.14</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase / Sales of property, plant and equipment	-	-
<b>Net cash generated from/(used in) investing activities</b>	<b>-</b>	<b>-</b>
<b>C. Cash flows from financing activities</b>		
Increase/(Decrease) in Fixed Deposits (matured/inclined)	(9.66)	(15.16)
<b>Net cash generated from/(used in) financing activities</b>	<b>(9.66)</b>	<b>(15.16)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(16.42)</b>	<b>11.98</b>
Cash and cash equivalents at the beginning of year	16.98	5.00
<b>Cash and cash equivalents at the end of year</b>	<b><u>0.56</u></b>	<b><u>16.98</u></b>

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

In terms of our report attached

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

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

Place: New Delhi  
Date: 10 May, 2020

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

**Rajeev Khanna**  
Whole Time Director  
DIN: 08471497  
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M. No.: A27729  
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**Sumit Raj**  
Director  
DIN: 07171298  
Place : Faridabad

**Donald Fernandez**  
Chief Financial Officer  
PAN AAAPF9140N  
Place : New Delhi

**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.

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

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

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

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

**2.2 Current versus non-current classification**

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

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

All other assets are classified as non-current.

A liability is current when:

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

**2.3 Basis of preparation and presentation**

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

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

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



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

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

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

## **2.4 Use of estimates**

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

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

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

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

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

## **2.5 Revenue recognition**

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

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

- a) Income is recognized on accrual basis except income related to non-performing assets, which is accounted on cash basis in accordance with prudential norms of Reserve Bank of India.
- b) The Company has adopted Implicit Rate of Return (IRR) method of accounting in respect of finance charges income for hire purchase/loan transactions. As per this method, the IRR involved in each hire purchase/loan transaction is recognized and finance charges calculated by applying the same on outstanding principal financed thereby establishing equitable distribution of income over the period of the agreement.
- c) Interest on overdue installments is accounted for on receipt basis.



- d) Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.
- e) Dividend income is recognised at the time when right to receive the payment is established, which is generally when the shareholders approve the dividend.

## **2.6 Foreign currencies**

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

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

## **2.7 Employee benefits**

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

### **2.7.1 Defined contribution plans**

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

### **2.7.2 Defined benefit plans**

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

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

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

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

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

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

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

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



## **2.8 Taxation**

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

### **2.8.1 Current tax**

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

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

### **2.8.2 Deferred tax**

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

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

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

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

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

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

## **2.9 Inventories**

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

## **2.10 Property plant and equipment**

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

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is



derecognised. Repairs and maintenance are charged to the Statement of Profit and Loss during the financial period in which they are incurred.

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

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

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

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

## **2.11 Intangible assets**

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

## **2.12 Impairment of tangible and intangible assets**

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

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

## **2.13 Provisions**

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

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

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

## **2.14 Financial Instruments**

### **A. Initial recognition**

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



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

### **Cash and cash equivalents**

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

## **B. Subsequent measurement**

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

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

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

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

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

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

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

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

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

#### **d. Financial liabilities**

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





## **II. Share capital**

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

### **C. Derecognition of financial instruments**

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

#### **2.15 Fair value of financial instruments**

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

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

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



(All amounts in Lacs unless stated otherwise)

**3 Property, plant and equipment**

	As at 1 April 2020	Additions	Adjustments	Deletions	As at 31 March 2021
<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 2020	Additions	Adjustments	Deletions	As at 31 March 2021
<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, 2021	As at 31 March, 2020
<b>Non-current investments</b>		
<b>Investment carried at cost</b>		
<b>Subsidiary Companies</b>	-	-
<b>Associates</b>	-	-
<b>Investment carried at fair value through OCI</b>		
Fully paid equity shares (unquoted)	-	133.30
<b>Investment carried at amortised cost</b>		
Preference shares	167.10	151.83
	<b>167.10</b>	<b>285.13</b>
<b>Current investments</b>		
Fully paid equity shares (unquoted)	7.42	7.42
Less: Provision for Diminution in Value of Trade Investments	7.42	7.42
	-	-
<b>Details of investment is as follows:</b>		
<b>Non-current investments</b>	-	-
<b>Subsidiary (in equity instruments - unquoted) - At Cost</b>	-	-
<b>Associates (in equity instruments - unquoted) - At Cost</b>	-	-
<b>Others (in equity instruments - unquoted) - At Fair Value</b>	-	-
Escorts Securities Limited *	-	133.30
NIL Equity Shares of Rs.10/- each (31 March 2020 : 14,60,000 Shares)	-	<b>133.30</b>
<b>Others (in preference shares) - At Amortised Cost</b>		
All Grow Finance & Investment Private Limited	19.10	<b>17.36</b>
7,30,000 10% non-cumulative redeemable Preference Shares of Rs. 10/- each; Redeemable on or before 26.03.2035 (31st March 2020 : 7,30,000 shares)		
All Grow Finance & Investment Private Limited	148.00	134.47
1,97,250 4% non- cummulative redeemable Preference Shares of Rs. 100/- each; Redeemable on or before 04.07.2023 (31 March 2020 : 1,97,250 Shares)		
	<b>167.10</b>	<b>151.83</b>

\* Refer Note 38 for investment classified as held for sale.

**Current investments**

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

Escorts Consumer Credit Limited	0.02	0.02
1,90,000 Equity Shares of Rs. 10/- each (31 March 2020 : 1,90,000)		
G.R. Solvents & Allied Insutries Limited	7.40	7.40
92,485 Equity Shares of Rs.10/- each (31 March 2020 : 92,485)		
	<b>7.42</b>	<b>7.42</b>



(All amounts in Lacs unless stated otherwise)

	As at 31 March, 2021	As at 31 March, 2020
<b>6 Other financial assets</b>		
<b>Non-current other financial assets</b>		
<b>Unsecured; considered doubtful</b>		
Loans and Advances	253.82	253.82
Less: Provision for bad & doubtful loan & advances	253.82	253.82
	<u>-</u>	<u>-</u>
<b>Current financial assets</b>		
Security deposits	3.73	3.73
Accrued interest	1.09	0.83
	<u><b>4.82</b></u>	<u><b>4.56</b></u>
<b>7 Other assets</b>		
<b>Other non-current assets</b>		
Prepaid expenses	86.36	103.16
	<u><b>86.36</b></u>	<u><b>103.16</b></u>
<b>Other current assets</b>		
(Unsecured; considered good unless otherwise stated)		
Advances with public bodies	0.73	0.27
Prepaid expenses	16.79	15.48
Other loans and advances	0.52	0.70
	<u><b>18.04</b></u>	<u><b>16.45</b></u>
<b>8 Trade receivables</b>		
<b>Unsecured</b>		
i. Considered good	8.00	2.60
ii. Considered doubtful <sup>§</sup>	699.70	699.70
	<u><b>707.70</b></u>	<u><b>702.30</b></u>
Less: Provision for bad and doubtful trade receivables	699.70	699.70
	<u><b>8.00</b></u>	<u><b>2.60</b></u>
<sup>§</sup> Refer Note 30 for doubtful trade receivables.		
<b>9 Cash and cash equivalents</b>		
Cash on hand	-	-
Balances with banks in current accounts	0.56	16.98
	<u><b>0.56</b></u>	<u><b>16.98</b></u>
<b>10 Assets held for sale</b>		
Investment in equity instruments of Escorts Securities Limited # 14,60,000 Equity Shares of Rs.10/- each (31 March 2020 : NA)	137.09	-
	<u><b>137.09</b></u>	<u>-</u>
<sup>#</sup> Refer Note 38 for measurement of assets held for sale.		



(All amounts in Lacs unless stated otherwise)

**11 Share capital**

	As at 31 March, 2021		As at 31 March, 2020	
	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>

**Issued, subscribed and fully paid up  
Equity shares**

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, 2021		As at 31 March, 2020	
	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 year	-	-	-	-
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, 2021		As at 31 March, 2020	
	No of shares	% holding	No of shares	% holding
Escorts Benefit and Welfare Trust	23,497,478	58.38%	23,497,478	58.38%
Escorts Limited	3,819,700	9.49%	3,819,700	9.49%
Allgrow Finance and Investment Private Limited	2,155,908	5.36%	2155908	5.36%

**12 Other Equity**

	As at 31 March, 2021	As at 31 March, 2020
<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	(25,604.59)	(25,618.59)
Add: Profit/(Loss) for the year	(1.05)	14.00
Balance at closing of the year	<b>(25,605.64)</b>	<b>(25,604.59)</b>
<b>Other Comprehensive Income, Net of Tax</b>		
Equity instruments measured at fair value through other comprehensive income		
Balance at beginning of the year	(51.86)	(38.87)
Add: Changes during the year	3.79	(12.99)
Balance at closing of the year	<b>(48.07)</b>	<b>(51.86)</b>



(All amounts in Lacs unless stated otherwise)

Re-measurements of defined employee benefit plans		
Balance at beginning of the year	(0.98)	(0.17)
Add: Changes during the year	-	(0.81)
Balance at closing of the year	(0.98)	(0.98)
<b>Balance at the end of 31 March 2021</b>	<b>(21,864.40)</b>	<b>(21,867.14)</b>

**Nature and purpose of reserves:**

**Other comprehensive income (OCI)**

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

**13 Borrowings**

	<b>As at 31 March, 2021</b>	<b>As at 31 March, 2020</b>
<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 2020 : 95,00,000)	950.00	950.00
	<b>950.00</b>	<b>950.00</b>

Refer Note 31 for filing of petition before NCLT to extend the maturity period which were due for redemption on 30 March 2019.  
Refer Note 32 for non-provision of interest payable on borrowed amount as on balance sheet date.

**14 Other Financial Liability**

**Other Non-Current Financial Liability**

a. FD Redemption through Court approved arrangements *	14,801.86	14,792.21
	<b>14,801.86</b>	<b>14,792.21</b>

**Other Current Financial Liability**

a. Matured / Unclaimed fixed deposits and interest thereon ^	1,060.18	1,069.84
b. Other payable	1,505.13	1,511.42
	<b>2,565.31</b>	<b>2,581.26</b>

\* Refer Note 33 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 34 for remaining liability towards unclaimed matured fixed deposits liability including interest thereon and the same is pending for deposit in Investor Education & Protection Fund.

**15 Provisions**

**Non-current Provisions**

**Provision for employee benefits**

a. Provision for gratuity	2.16	2.00
b. Provision for compensated absences	0.39	0.39
	<b>2.55</b>	<b>2.39</b>

**Current Provisions**

**Provision for employee benefits**

a. Provision for gratuity	0.03	3.06
b. Provision for compensated absences	0.02	0.55
	<b>0.05</b>	<b>3.61</b>

**16 Other current liabilities**

Statutory dues payable	3.04	1.95
	<b>3.04</b>	<b>1.95</b>



(All amounts in Lacs unless stated otherwise)

**17 Revenue from operations**

**Other operating revenue**

	<b>For the year ended 31 March, 2021</b>	<b>For the year ended 31 March, 2020</b>
a. Bad Debts Recovered	-	5.08
b. Overdue Interest	0.01	0.87
c. Provisions for doubtful debts/ advances written back	-	3.44
	<b>0.01</b>	<b>9.39</b>

**18 Other income**

a. Interest income	0.26	0.29
b. Other income	27.05	40.62
	<b>27.31</b>	<b>40.91</b>

**19 Employee benefits expense**

a. Salary, wages and bonus	14.30	15.37
b. Contribution to provident and other funds	0.64	0.67
c. Staff welfare expenses	-	0.02
	<b>14.94</b>	<b>16.06</b>

**20 Depreciation and amortisation expense**

a. Depreciation of plant, property and equipment	-	-
b. Amortisation of intangible assets	-	-
	<b>-</b>	<b>-</b>

**21 Finance cost**

a. Bank Charges	-	0.01
	<b>-</b>	<b>0.01</b>

**21 Other expenses**

a. Rates and taxes	0.26	0.37
b. Legal and professional	3.73	4.32
c. Repair and maintenance - others	0.09	0.08
d. Printing & Stationary	0.02	0.10
e. Travelling and conveyance	0.09	0.60
f. Advertisement & Publicity	0.59	1.09
g. Postage & Telephone	0.22	0.25
h. Payments to auditors (see Note 'A' below)	2.08	2.15
i. Director's Sitting Fees	0.56	0.74
j. Bad debts written off	-	1.74
k. AGM Expenses	1.07	3.38
l. Fee & Subscription	4.70	5.34
m. Miscellaneous expenses	0.02	0.07
	<b>13.43</b>	<b>20.23</b>

**Note:**

A. Payments to auditors		
(i) Audit Fees	2.00	2.00
(ii) Other Services	-	-
(iii) Out of pocket expenses	0.08	0.15
	<b>2.08</b>	<b>2.15</b>



### 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 2020: Rs. Nil).il).
- 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 The Company has conducted routine physical verification of its property, plant and equipment during the year in order to ensure their location, existence and assess their working condition. No discrepancies have been reported during such verification.
- 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 with its net worth continuing to stand fully eroded. Presently, the Company continues to focus on recovery of old delinquent loan assets through settlement/ compromise /legal action etc. arising out of it's earlier NBFC business. The financial information in these financial statements has been prepared on a going concern basis, which assumes that the Company will continue it's operational existence in the foreseeable future as the management of the company is considering various options to undertake suitable business(s) and is also exploring the options of revival or restructuring of the Company.
- 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 6 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 Trade receivables amounting to Rs. 699.70 lacs (Previous Year Rs. 699.70 lacs) represents cases against which legal actions/ settlements/compromises for recovery are in process. However, full provision is held against such receivables.
- 31 The Company had issued 10% Cumulative Redeemable Preference Shares of Rs. 10 each maturing on 30 March 2019. Due to liquidity crunch, the discharge of the said liability before or on due date of redemption has not been done. The Company has received a No Objection Certificate from the preference share holder extending the maturity period of said Preference Shares for a further period of 20 years. Accordingly, the Company has filed a petition before National Company Law Tribunal (NCLT) on 29 March 2019 seeking issuance of 1% Cumulative Redeemable Preference Shares in place of said Preference Shares with new terms and conditions. Since the aforesaid matter is pending for hearing before NCLT, this liability has been classified under current borrowing as on 31 March 2021. The matter is listed on 16 July 2021.
- 32 Since the matter related to issuance of 1% Cumulative Redeemable Preference Shares in place of existing 10% Cumulative Redeemable Preference Shares is pending before NCLT, therefore, the Company has not made any provision for interest payable on the borrowed amount.
- 33 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. 14,801.86 lacs as on 31 March 2021 (Rs. 14,792.21 lacs as on 31 March 2020) has been shown as "FD Redemption through Court approved arrangements" under "Non-Current Financial Liabilities".





**34** 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 2021, EBT has settled the claims to the extent of Rs. 9.66 lacs by repayment to respective fixed deposit holders. The remaining liability towards unclaimed fixed deposits and interest thereon is Rs. 1060.18 lacs as on 31 March 2021 (Rs. 1069.84 lacs as on 31 March 2020) and the same is pending for deposit in Investor Education & Protection Fund.

**35 Employee benefits plans**

**A. Defined contribution plans:**

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

	(Amount in Rupees)	
	<b>For the year ended 31 March, 2021</b>	<b>For the year ended 31 March, 2020</b>
Contribution to provident fund and other funds	64,372	66,951

**B. Defined benefit plans:**

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

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

	<b>Gratuity benefits</b>		<b>Compensated absences</b>	
	<b>For the year ended</b>		<b>For the year ended</b>	
	<b>31 March 2021</b>	<b>31 March 2020</b>	<b>31 March 2021</b>	<b>31 March 2020</b>
Current service cost	13,171	25,517	2,447	4,763
Past service cost including curtailment gains/losses	-	-	-	-
Interest cost	28,287	26,825	5,269	4,967
Actuarial (gain)/loss, net	-	-	(4,005)	15,511
<b>Amount recognised during the year</b>	<b>41,458</b>	<b>52,342</b>	<b>3,711</b>	<b>25,241</b>

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

	<b>Gratuity benefits</b>		<b>Compensated absences</b>	
	<b>For the year ended</b>		<b>For the year ended</b>	
	<b>31 March 2021</b>	<b>31 March 2020</b>	<b>31 March 2021</b>	<b>31 March 2020</b>
<b>Present value of defined benefit obligation as at the start of the year</b>	<b>506,935</b>	<b>373,603</b>	<b>94,426</b>	<b>69,185</b>
Current service cost	13,171	25,517	2,447	4,763
Past service cost	-	-	-	-
Interest cost	28,287	26,825	5,269	4,967
Actuarial (gain)/loss on obligation	(83)	80,990	(4,005)	15,511
Benefits paid	(329,279)	-	(57,075)	-
<b>Present value of defined benefit obligation as at the end of the year</b>	<b>219,031</b>	<b>506,935</b>	<b>41,062</b>	<b>94,426</b>
<b>Current position of obligation as at the end of the year</b>	<b>3,220</b>	<b>306,450</b>	<b>1,713</b>	<b>54,929</b>
<b>Non-current position of obligation as at the end of the year</b>	<b>215,811</b>	<b>200,485</b>	<b>39,349</b>	<b>39,497</b>



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

(Amount in Rupees)

	Gratuity benefits		Compensated absences	
	For the year ended		For the year ended	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Actuarial gain / (loss) for the year on PBO	83	(80,990)	-	-
Actuarial gain / (loss) for the year on Assets	-	-	-	-

iv) Actuarial Gain / (Loss) on obligation

(Amount in Rupees)

	Gratuity benefits		Compensated absences	
	For the year ended		For the year ended	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Actuarial (Gain)/Loss from Change in Demographic Assumption	-	152	-	28
Actuarial (Gain)/Loss from Change in Financial Assumption	(1,275)	21,474	(240)	4,144
Actuarial (Gain)/Loss from Experience Adjustment	1,192	59,364	(3,765)	11,339

v) Economic assumptions:

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

(Amount in Rupees)

	As at 31 March 2021	As at 31 March 2020
Discount rate	5.70%	5.70%
Salary growth rate	7.50%	7.50%

vi) Demographic assumptions:

(Amount in Rupees)

	As at 31 March 2021	As at 31 March 2020
Retirement age	58 years	58 years
Mortality table	IALM (2012-14)	IALM (2012-14)
Withdrawal rates		
Upto 30 years	3%	3%
From 31 to 44	2%	2%
Above 44 years	1%	1%

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



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

(Amount in Rupees)

	<b>Gratuity benefits</b>		<b>Compensated absences</b>	
	<b>For the year ended</b>		<b>For the year ended</b>	
	<b>31 March 2021</b>	<b>31 March 2020</b>	<b>31 March 2021</b>	<b>31 March 2020</b>
<b>Impact of the change in discount rate</b>				
Present value of obligation at the end of the year	219,031	506,935	41,062	94,426
- Impact due to increase of 0.50 %	(5,218)	(6,929)	(979)	(1,334)
- Impact due to decrease of 0.50 %	5,373	7,141	1,014	1,382
<b>Impact of the change in salary increase</b>				
Present value of obligation at the end of the year	219,031	506,935	41,062	94,426
- Impact due to increase of 0.50 %	5,257	6,979	988	1,345
- Impact due to decrease of 0.50 %	(5,155)	(6,839)	(969)	(1,320)

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

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

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

(Amount in Rupees)

	<b>Gratuity benefits</b>		<b>Compensated absences</b>	
	<b>For the year ended</b>		<b>For the year ended</b>	
	<b>31 March 2021</b>	<b>31 March 2020</b>	<b>31 March 2021</b>	<b>31 March 2020</b>
Within next 12 months	3,220	306,450	1,713	54,929
Between 1-5 years	215,811	14,240	39,349	4,339
Beyond 5 years	-	186,245	-	35,158

- 36** The Company has considered the possible effects that may result from the pandemic (Covid-19) on the carrying of receivable, loans/advance, investments and other assets / liabilities. Based on the current indicator of future economic condition, the management expects to recover the carrying amount of these assets. The Company continue to closely monitor any material changes to the future economic conditions.
- 37** 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.
- 38** The Board of the Directors of the Company on 01 February 2021 had approved for sale of 14,60,000 shares of Rs 10/- each in Escorts Securities Limited, a investee company. On 08 April 2021, the Company had entered into a Share Purchase Agreement, to sell the aforesaid shares to Choice Equity Broking Private Limited ("purchaser"). In terms of the agreement, upon necessary regulatory approvals and on the Closing date, the aforesaid shares will be transferred to the purchaser, at an aggregate consideration to be decided on the closing date. Pending transfer of the shares to the purchaser, the investment has been classified as held for sale.

As per the requirement of Ind AS 105 "Non-Current Assets Held for Sale and Discontinued Operations" the asset is being carried at cost (book value) or fair value whichever is less. Refer the table below for the detail of amount:



(Amount in Rupees)

**Particulars**

**For the year ended  
31 March, 2021**

Book value of investment held for sale (A)	13,709,400
Fair value of investment (B)#	14,278,800
Value at which the asset is recognized as held for sale (Lower of A & B)	13,709,400

**# fair value is computed as per process for determination of purchase price (clause 2.7) of Share Purchase Agreement executed on 08 April 2021.**

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

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

**41 Related party disclosures**

**(a) Holding Company**

Escorts Limited

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

Escorts Benefit and Welfare Trust

**(d) Key Managerial Personnel**

Mr. Rajeev Khanna	Whole time director (with effect from 04 June 2019)
Ms. Preeti Chauhan	Director (with effect from 03 May 2013)
Mr. Sumit Raj	Director (with effect from 16 May 2018)
Mr. Vinod Dixit	Director (with effect from 26 July 2019)
Mr. Pritam Narang	Whole time director (till 04 June 2019)
Mr. Donald Fernandez	Chief Financial Officer
Mr. Vicky Chauhan	Company Secretary

**For the year ended  
31 March, 2021**      **For the year ended  
31 March, 2020**

**42 Related party transactions**

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

Escorts Limited (Holding Company)	16,295.73	16,286.07
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**(b) Salary paid**

Mr. Donald Fernandez (Chief Financial Officer)	8.26	8.24
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**(c) Sitting Fee Paid**

Mr. Rajeev Khanna (Whole time director) (from 04 June 2019)	0.16	0.14
Ms. Preeti Chauhan (Director) (from 03 May 2013)	0.16	0.22
Mr. Sumit Raj (Director) (from 16 May 2018)	0.16	<b>0.22</b>
Mr. Vinod Dixit (Director) (from 26 July 2019)	0.08	<b>0.06</b>
Mr. Pritam Narang (Whole time director) (till 04 June 2019)	-	<b>0.10</b>

**43 Earning per share**

Particulars	31 March 2021	31 March 2020
Net profit attributable to the shareholders (Rs. in Lacs)	(1.05)	14.00
Weighted avg. number of outstanding equity shares during the year	40172500	40172500
Basic earning per share (in Rupees)	(0.003)	0.035
Diluted earning per share (in Rupees)	(0.003)	0.035



- 44** The Company has a single reportable segment namely financial services (limited to recovery of loan assets) for the purpose of Ind AS-108.
- 45** There are no other event observed after the reported period which have an impact on the Company's operation.
- 46** The figures for the previous period have been regrouped / rearranged / reclassified wherever necessary.

In terms of our report attached

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

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

Place: New Delhi  
Date: 10 May, 2020

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

**Rajeev Khanna**  
Whole Time Director  
DIN: 08471497  
Place : Faridabad

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

**Sumit Raj**  
Director  
DIN: 07171298  
Place : Faridabad

**Donald Fernandez**  
Chief Financial Officer  
PAN AAAPF9140N  
Place : New Delhi



Dear Shareholder,

Securities Exchange Board of India (SEBI) has vide its Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018 read with Circular No. SEBI/HO/MIRSD/DOS3/CIR/P/2018/115 dated July 16, 2018, has mandated the Company/ RTA to obtain copy of PAN Card and Bank account details from all the shareholders holding shares in physical form.

Accordingly, you are requested to fill & return the appended letter alongwith self-attested copy of your PAN card and original cancelled cheque leaf/ attested bank passbook showing the name of account holder so that details may be noted in our record. The details are required for all joint holders.

Please address all communication in this regards to our R&T Agent i.e. M/s Alankit Assignments Limited, 3E/ 7, Jhandewalan Extension, New Delhi – 110055.

Thanking you,  
For Escorts Finance Limited  
Sd/-  
Vicky Chauhan  
Company Secretary

**ESCORTS FINANCE LIMITED**

15/5, Mathura Road, Faridabad – 121 003, Haryana, India

Phone: +91-129-2564116; Fax: +91-129-2250060

E-mail: [escortsfinance@escorts.co.in](mailto:escortsfinance@escorts.co.in); Website: [www.escortsfinance.com](http://www.escortsfinance.com)

CIN: L65910CH1987PLC033652

Registered Office: SCO – 64-65, Third Floor, Sector – 17A, Chandigarh – 160 017

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

To  
Alankit Assignments Limited  
3E/ 7, Jhandewalan Extension,  
New Delhi – 110055

Dear Sir,

I/We hereby furnishing the details as required by you. Kindly record the same and confirm:

Name of Shareholder(s)	
Folio No.	
Pan (Enclose self-attested copy of Pan card(s) of all holders/ joint holders)	
Bank Account No. (Enclose name printed original cancelled cheque/ attested copy of passbook)	
Name of Bank	
Branch Address	
IFSC No.	
MICR No.	
Email ID	
Mobile/ Telephone No.	
Name of Shareholder(s)	Signature of Shareholder(s)
1. First named shareholder	
2.Jt1	
3.Jt2	

**BLANK**



Dear Shareholder,

**Re: Green Initiative in Corporate Governance: Go Paperless**

The Ministry of Corporate Affairs ("Ministry") by issuing their circular 17/2011 dated April 21, 2011 & 18/2011 dated April 29, 2011 took a "Green Initiative in Corporate Governance" by allowing paperless compliances by companies using electronic mode.

The companies are now allowed to send Notices/ Documents including Notice calling Annual General Meeting, Audited Financial Statements, Directors' Report, Auditors' Report etc., to their shareholders using electronic mode to the registered email addresses of the shareholders.

We at **Escorts Finance Limited** also welcome this green initiative as it will reduce paper consumption to a great extent and allow public at large to contribute towards a greener environment.

This is a great opportunity for all the shareholders of **Escorts Finance Limited** to support this move fully. Besides conserving environment this would enable you to receive the communication promptly, avoid any loss of document in transit and also saving cost of paper and postage.

All you have to do is to register your email Id by returning the **appended letter** stating your email Id or send us an email stating **your Folio No. or DP Id & Client Id** to receive communication as stated above through electronic mode, henceforth.

**Please quote your Folio No. or DP Id & Client Id in all communication with us.**

Let's be part of this "Green Initiative"

For **Escorts Finance Limited**

**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, Website : www.escortsfinance.com

CIN: L65910CH1987PLC033652

Registered Office: SCO 198-200, 2nd Floor, Sector-34A, Chandigarh-160022

**PLEASE RETURN**



**Escorts Finance Limited**  
**15/5, Mathura Road,**  
**Faridabad-121 003**

Date: \_\_\_\_\_



Dear Sirs

Sub: Registration of email Id

In response to your letter, please register my e-mail address as given below for sending all the communications, Documents, Notices & Annual Report etc. through electronic mode.

**email Id:** \_\_\_\_\_

Thanking you

Shareholder Name: \_\_\_\_\_ Signature \_\_\_\_\_

Folio No. \_\_\_\_\_ Phone No. \_\_\_\_\_

DP Id & Client ID \_\_\_\_\_ Mobile No. \_\_\_\_\_





## **ESCORTS FINANCE LIMITED**

15/5, Mathura Road

Faridabad - 121 003

Haryana

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