

September 5, 2017

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

Sub: Intimation of Annual General Meeting and Book Closure Dates

Dear Sir/Madam

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

1. Twenty Ninth Annual General Meeting (AGM) of the Company is scheduled to be held on Tuesday, September 26, 2017 at 3.00 P.M at 'Hotel K C Residency, SCO - 377-380, Sector – 35 B, Chandigarh – 160035. The notice of AGM and Annual Report of the Company is attached.
2. The Cut-off date for e-voting has been fixed as September 19, 2017 to record entitlement of the shareholder to cast their vote through remote e-voting or voting at AGM through Ballot Paper. The Remote e-voting period will commence at 9.00 a.m. IST on Saturday, September 23, 2017 and end at 5.00 p.m. IST on Monday, September 25, 2017.
3. Registers of Members and Share Transfer Books of the Company will remain closed from September 19, 2017 to September 26, 2017 (both days inclusive) for the purpose of aforesaid Annual General Meeting of the Company.

This is for your information and records.

Thanking you.

For Escorts Finance Limited



Vicky Chauhan
(Company Secretary)



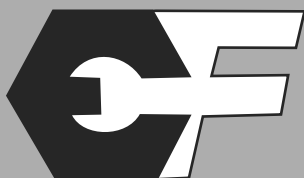
CC: Alankit Assignment Limited, 1E/13, Jhandewalan Extension, New Delhi-110055
NSDL: 4th Floor, 'A' wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai- 400013 &
CDSL: Phiroze Jheebhoy Towers, 17th Floor, Dalal Street, Mumbai- 400001



29th

ANNUAL REPORT

2016-17



**ESCORTS
FINANCE
LIMITED**



COMPANY INFORMATION

Board of Directors

Mr. Pritam Narang, Whole-time Director

Mr. Rochak Puri

Ms. Preeti Chauhan

Company Secretary

Mr. Vicky Chauhan

Chief Financial Officer

Mr. Donald Fernandez

Statutory Auditors

M/s N. M. Raiji & Co.

Secretarial Auditors

M/s Jayant Gupta & Associates

Internal Auditors

M/s Jain Aarushi & Associates

Registered Office

SCO-198-200, Second Floor,
Sector-34A, Chandigarh-160 022

CIN: L65910CH1987PLC033652

Website: www.escortsfinance.com

E-mail: escortsfinance@escorts.co.in



NOTICE

Notice is hereby given that the **Twenty Ninth Annual General Meeting (AGM)** of Escorts Finance Limited will be held on **Tuesday, September 26, 2017 at 3.00 P.M.** at Hotel K C Residency, SCO 377- 380, Sector-35 B, Chandigarh-160035 to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt:
 - a. the audited standalone financial statement of the Company for the financial year ended March 31, 2017, the reports of the Board of Directors and Auditors thereon; and
 - b. the audited consolidated financial statement of the Company for the financial year ended March 31, 2017.
2. To appoint a Director in place of Mr. Pritam Narang (DIN: 00982418) who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration and in this regard, to consider and if thought fit, to pass the following resolution as an "Ordinary Resolution":

"Resolved That pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, M/s. Kapish Jain & Associates, Chartered Accountants (Firm Registration No. 022743N) be and are hereby appointed as Statutory Auditors of the Company in place of the retiring auditors M/s. N.M. Rajji & Co., Chartered Accountants (Firm Registration No. 108296W), to hold office from the conclusion of this Annual General Meeting ("AGM") for a period of 5 years till the conclusion of the 34th AGM to be held in the year 2022 (subject to ratification of their appointment at every AGM if so required under the Act), at such remuneration, as may be mutually agreed between the Board of Directors of the Company and the Auditors."

SPECIAL BUSINESS:

4. **To appoint Mr. Pritam Narang as Whole-time Director and in this regard, to consider and if thought fit, to pass the following resolution as an "Ordinary Resolution":**

"Resolved That pursuant to the provisions of Sections 196, 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 {including any statutory modification(s) or re-enactment(s) thereof for the time being in force} and subject to such approvals as may be necessary, the consent of the Company be and is hereby accorded for the appointment of Mr. Pritam Narang (DIN 00982418) as Whole-time Director of the Company, liable to retire by rotation, for a period of 5 (five) years w.e.f. April 26, 2017 at nil remuneration.

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

5. **To approve the re-appointment of Mr. Rochak Puri as an Independent Director in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as a "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. Rochak Puri (DIN 00042536), 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 34th Annual General Meeting of the Company to be convened in the calendar year 2022."



6. **To approve the re-appointment of Ms. Preeti Chauhan as an Independent Director in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as a "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}, Ms. Preeti Chauhan (DIN 06567695), 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 her 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 34th Annual General Meeting of the Company to be convened in the calendar year 2022."

NOTES:

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

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

- 2) A copy of Annual Report containing Audited Financial Statements for the financial year ended March 31, 2017 together with the Reports of the Board of Directors and Auditors' thereon are enclosed. Members are requested to bring their copies of Annual Report at the AGM.
- 3) **Green Initiative:** The Ministry of Corporate Affairs (MCA), Government of India has allowed companies to send documents to the shareholders electronically as part of its green initiatives. Accordingly, the Company is sending documents like the Notice of General Meeting, Financial Statements, Directors' Report, Auditors' Report and other Communication etc., to the e-mail address as registered with the Company/ your depositories. We request you to update your e-mail address with your Depository Participant(s) to ensure that the Annual Report and other documents reach you on preferred e-mail address and the shareholders holding shares in physical mode may inform their e-mail address to the Company.
- 4) The Register of Members and Share Transfer Books of the Company will remain closed from September 19, 2017 to September 26, 2017 (both days inclusive).
- 5) Shareholders/ Proxy holders are requested to produce at the entrance attached attendance slip duly completed and signed, for admission to the AGM hall.
- 6) Members are informed that Share Transfer and related activities are being carried out by Alankit Assignments Limited, Registrar and Share Transfer Agents (Alankit RTA), from the following address: -

ALANKIT ASSIGNMENTS LIMITED

Alankit House

1E/13, Jhandewalan Extension,

New Delhi – 110 055

Tel.- +91-11-42541953

Fax: +91-11-23552001

E-mail id: rta@alankit.com

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

- 7) The Equity shares of the Company can only be traded in electronic mode w.e.f. June 26, 2000 as per SEBI guidelines. The Company has already entered into agreements with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) for the same. Interested members may opt to convert physical



- shares of the Company in electronic mode after sending request for dematerialisation through their Depository Participant.
- 8) Members of the Company who are holding shares in physical form and have multiple accounts in identical name(s) or are holding more than one share certificate in the same name under different ledger folio(s) are requested to apply for consolidation of such folio(s).
 - 9) Section 72 of the Companies Act, 2013 and Rule 19 of the Companies (Share Capital & Debenture) Rules, 2014 has extended nomination facility to individual shareholders holding shares in physical form. Shareholders are requested to avail the above facility by submitting prescribed **Nomination Form SH-13** to the Alankit RTA. This form is also available on the Company's website **www.escortsfinance.com**.
 - 10) Please send all correspondence including requests for transfer/ transmission of shares & change of address etc. to Alankit RTA.
 - 11) Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions in writing to the Company Secretary at least ten days before the date of the meeting, so that the required information may be made available at the meeting.
 - 12) Members who have not yet paid their "Allotment Money" are advised to send the same along with interest calculated @ 17% p.a. for delayed period i.e. from May 7, 1995 till the date of payment, through demand draft/ cheque payable at Delhi in favour of the Company, to avoid forfeiture.
 - 13) Pursuant to the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") on Corporate Governance and Secretarial Standard, the information required to be given in case of appointment or reappointment of Director, is given in the Corporate Governance Report forming part of this Annual Report.
 - 14) Electronic copy of the Notice of AGM of the Company inter-alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose e-mail IDs are registered with the Company/ Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their e-mail address, physical copies of the Notice is being sent in the permitted mode.
 - 15) Members may also note that the Notice of the AGM and the Annual Report for the financial year ended on March 31, 2017 will also be available on the Company's website **www.escortsfinance.com**. The physical copies of the aforesaid documents along with all documents referred to in the accompanying Notice will also be available at the Company's Registered Office in Chandigarh for inspection during normal business hours on working days between 11.00 A.M. to 3.00 P.M. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's e-mail id **escortsfinance@escorts.co.in**.
 - 16) Non-resident Indian shareholders are requested to inform about the following immediately to the Company or its RTA or the concerned Depository Participant, as the case may be, immediately of:-
 - a. The change in the residential status on return to India for permanent settlement.
 - b. The particulars of the NRE Account with a Bank in India, if not furnished earlier.
 - 17) The Corporate Members intending to send their authorised representatives to attend the Meeting are requested to send to the Company/ RTA a certified true copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
 - 18) **Voting through electronic means:-**
 - I. In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Listing Regulations {including any statutory modification(s) or re-enactment(s) thereof, for the time being in force}, the Company is pleased to provide to Members facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means i.e. Remote e-voting. The Company has appointed CDSL as the Authorised Agency to provide Remote e-voting facility for casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("Remote e-voting").
 - II. The facility for voting through Ballot Paper shall be made available at the venue of AGM and the Members who have not cast their vote by Remote e-voting shall be eligible to exercise their right at the AGM through Ballot Paper.



III. The Members who have already cast their votes by Remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again. It is hereby clarified that it is not mandatory for a Member to vote using the Remote e-voting facility.

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

Instruction for Voting:-

A. In case of members receiving e-mail:

- i. Log on to the e-voting website **www.evotingindia.com** during Remote e-voting period.
- ii. Click on "Shareholders" tab.
- iii. Now, select the Electronic Voting Sequence Number – "EVSN" 170830024 along with "Escorts Finance Limited" from the drop down menu and click on "SUBMIT".
- iv. Now, enter your User ID:
 - a. For NSDL: 8 Character DP ID followed by 8 digits Client ID
 - b. For CDSL: 16 digits beneficiary ID
 - c. For Members holding shares in Physical Form should enter Folio Number Registered with the Company
- v. Next enter the image Verification as displayed and click on Login.
- vi. In case you are holding shares in Demat form and had logged on **www.evotingindia.com** and voting on an earlier voting of any Company then your existing password is to be used.
- vii. If you are a first time user, please follow the steps given below and fill up the following details in the appropriate boxes.

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

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

Please enter any one of the details in order to login. In case either of the details are not recorded with the depository/ Company, please enter the no. of shares held by you as on September 19, 2017 in the Bank Details field.

- viii. Members holding shares in physical form will then directly reach the EVSN selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password shall be used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- ix. For members holding shares in physical form, the details can be used for only e-voting on the resolutions contained in this Notice.
- x. Click on the relevant EVSN on which you choose to vote.
- xi. On the voting page, you will see Resolution Description and against the same the option YES/ NO for voting. Select the option YES or NO as desired. The option "YES" implies that you assent to the Resolution and option "NO" implies that you dissent to the Resolution.
- xii. Click on the "Resolutions File Link" if you wish to view the entire Resolution(s).
- xiii. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be



displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

- xiv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
 - xv. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
 - xvi. If Demat account holder has forgotten the changed password then enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.
 - xvii. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to log on to **www.evotingindia.com** and register themselves, link their account which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and POA in favour of the Custodian who they have authorised to vote on their behalf, in PDF format in the system for the scrutinizer to verify the vote.
- B. In case of Members receiving the **physical copy of Notice of AGM** {for members whose email IDs are not registered with the Company/ Depository Participant(s) or requesting for physical copy}, please follow all steps from sl. no. (i) to sl. no. (xvi) above, to cast vote.
- V. In case you have any queries regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at **www.evotingindia.com** under help section or write an email to **helpdesk.evoting@cdslindia.com**.
 - VI. The e-voting period commences on Saturday, **September 23, 2017** (9:00 am IST) and ends on Monday, **September 25, 2017** (5:00 pm IST). During this period, Members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date i.e. **September 19, 2017**, may cast their vote electronically and also at the venue of AGM. The Name of Escorts Finance Limited shall be disabled by CDSL for voting thereafter from their e-voting module.
 - VII. The voting rights of Members shall be in proportion to their share in the Paid-up Equity Capital of the Company as on the cut-off date i.e. September 19, 2017.
 - VIII. **Members can opt for only one mode of voting i.e.** either by Remote e-voting or physically at the AGM venue through Ballot Paper. In case you are opting for Remote e-voting then do not vote by physical mode at AGM venue and vice-versa. In case members cast their vote both via physical as well as e-voting then voting done through physical mode shall not prevail and voting done by e-voting shall be considered as valid vote.
 - IX. Mr. Jayant Gupta, Practicing Company Secretary (Membership No. F7288) has been appointed as the Scrutinizer to scrutinize the voting process in a fair and transparent manner.
 - X. The Scrutinizer shall, within a period not exceeding 3 (three) working days from the conclusion of the e-voting period unblock the votes in the presence of at least 2 (two) witnesses not in the employment of the Company and make a Consolidated Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
 - XI. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website **www.escortsfinance.com** and on the website of CDSL at **www.evotingindia.com** immediately after the result is declared by the Chairman. The Company shall also simultaneously forward the results to BSE Limited where its shares are listed.
- 19) The Securities and Exchange Board of India (SEBI) has mandated submission of PAN by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to Alankit RTA.

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

**Place: Faridabad
Dated: July 25, 2017**

**Sd/-
Vicky Chauhan
Company Secretary**



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

This explanatory statement is provided though strictly not required as per Section 102 of the Act.

ITEM NO. 3

M/s N.M Rajji & Co., Chartered Accountants (Firm Registration No. 108296W) have been Statutory Auditors of the Company. As per the provisions of Section 139 of the Act, no listed Company can appoint or re-appoint an audit firm as auditor for more than two terms of 5 consecutive years. In view of the above, M/s N.M Rajji & Co. can continue as the Auditors of the Company only up to the conclusion of this Annual General Meeting ('AGM'), having completed their term as per the provisions of Section 139 of the Act.

The Board of Directors has, based on the recommendation of the Audit Committee, at its meeting held on July 25, 2017, proposed the appointment of M/s. Kapish Jain & Associates, Chartered Accountants (Firm Registration No. 022743N) as the Statutory Auditors of the Company for a period of 5 years, to hold office from the conclusion of this AGM till the conclusion of the 34th AGM to be held in the year 2022 (subject to ratification of their appointment at every AGM, if so required under the Act).

M/s. Kapish Jain & Associates have consented to their appointment as Statutory Auditors and have confirmed that if appointed, their appointment will be in accordance with Section 139 read with Section 141 of the Act.

None of the Directors/ Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 3 of the Notice for approval by the Members.

ITEM NO. 4

Pursuant to the resignation of Mr. P.K. Marwah, Manager of the Company w.e.f. October 10, 2016, the Board of Directors of the Company on the recommendation of Nomination and Remuneration Committee had approved the appointment of Mr. Pritam Narang as Whole-time Director of the Company w.e.f. April 26, 2017 for a period of 5 years, liable to retire by rotation, subject to approval of shareholders of the Company, at nil remuneration.

Except Mr. Pritam Narang, being appointee, none of the Directors/ Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the Members.

ITEM NO. 5 & 6

Mr. Rochak Puri and Ms. Preeti Chauhan were appointed as Independent Directors on the Board of the Company for a period of 3 consecutive years upto the conclusion of 29th AGM.

The Board on recommendation of Nomination and Remuneration Committee, in their meeting held on July 25, 2017, on the basis of the report of performance evaluation of Independent Directors, have recommended the re-appointment of Mr. Rochak Puri and Ms. Preeti Chauhan as Independent Directors of the Company, not liable to retire by rotation, for a further period of 5 consecutive years upto the conclusion of 34th AGM to be convened in the year 2022.

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

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

Particulars of their qualifications, brief resume and area of expertise etc. are annexed to this Notice.

Except Mr. Rochak Puri and Ms. Preeti Chauhan, 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. 5 & 6.

The Board commends the Special Resolutions as set out at Item No. 5 & 6 of the Notice for approval of the members.

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

**Place: Faridabad
Dated: July 25, 2017**

**Sd/-
Vicky Chauhan
Company Secretary**



Your Directors are pleased to present the Twenty Ninth Annual Report, together with the Audited Financial Statements of the Company for the financial year ended March 31, 2017 and the Auditors' Report thereon.

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

Particulars	Financial Year ended March 31, 2017	Financial Year ended March 31, 2016
Gross Income	30.47	76.47
Profit/ (Loss) before write off, provisions & tax	(5.82)	36.42
Tax adjustment for earlier years	-	-
Profit/ (Loss) after Tax	(5.82)	36.42

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

Dividend

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

Fixed Deposits

An amount of Rs. 146.21 Lacs has been paid to the Fixed Deposit holders during the financial year ended March 31, 2017. As on the said date, there is an unclaimed/ unpaid fixed deposit liability of Rs. 1132.57 Lacs.

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

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

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

(ii) Opportunities and threats

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

(iii) Segment-wise or Product-wise Performance

The Company has been primarily engaged in the business of hire purchase, leasing, bill discounting and non-fund based activities. Since the risk and returns in these businesses are similar, therefore, these are grouped as a single segment. This is in accordance with the guiding principle provided in the Accounting Standard on Segment Reporting (AS- 17) issued by The Institute of Chartered Accountants of India.

(iv) Future Outlook

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

(v) Risks and Concerns

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

(vi) Internal Control Systems and their adequacy

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

(vii) Financial Performance

The loss for the year after write offs/ provisions etc. and tax amounts to Rs. 5.82 Lacs.



(viii) Human Resource and Industrial Relations

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

Cautionary Statement

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

Directors

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

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

Pursuant to the resignation of Mr. P.K. Marwah, Manager of the Company w.e.f. October 10, 2016, Mr. Pritam Narang has been appointed as Whole-time Director of the Company w.e.f. April 26, 2017. The Board places on record its appreciation for the valuable guidance and services rendered by Mr. P.K. Marwah during his tenure with the Company.

Pursuant to the provisions of Section 149 and other applicable provisions of the Act, your directors are seeking re-appointment of Mr. Rochak Puri and Ms. Preeti Chauhan as Independent Directors for a period of 5 years.

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

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

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

The brief resume and other details relating to the Directors who are proposed to be appointed/ re-appointed, as required to be disclosed under Listing Regulations is given in the **Annexure – B**.

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

Corporate Governance

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

Indian Accounting Standard

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

The reconciliations and descriptions of the effect of the transition from previous GAAP to Ind AS have been set out in Note 38 in the notes to accounts in the standalone and consolidated financial statement.

Consolidated Financial Statements

The Consolidated Financial Statements in accordance with the Companies Act, 2013 and Indian Accounting Standard (Ind AS)-110 applicable to the Consolidated Financial Statements read with Ind AS-28 on Accounting for Investments



in Associates and Ind AS-31 on Financial Reporting of Interests in Joint Ventures issued by The Institute of Chartered Accountants of India have been prepared. The Audited Consolidated Financial Statements along with the Auditors' Report thereon are annexed with this Report.

Subsidiaries, Joint Ventures and Associate Companies

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

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

Auditors and Auditors' Report

Statutory Auditors

M/s. N.M. Raiji & Co., Chartered Accountants, Delhi (Firm Registration No. 108296W), Statutory Auditors of the Company hold office upto the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

M/s. Kapish Jain & Associates, Chartered Accountants, New Delhi (Firm Registration No. 022743N) have shown their interest to act as Statutory Auditors of the Company for a period of 5 years subject to the ratification of their appointment at every AGM.

The Company has received letter of confirmation from M/s. Kapish Jain & Associates, Chartered Accountants to the effect that their appointment, if made, would be within the prescribed limits as specified under Section 139 of the Companies Act, 2013 and that they are not disqualified for such appointment within the meaning of Section 141 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules 2014.

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

Note 31: Provision for dividend on preference shares could not be made in view of substantial accumulated losses from earlier year.

Note 32: The Company had only three employees on its rolls at the end of the financial year. The gratuity liability is being provided on actual basis as per the provisions of Payment of Gratuity Act, 1972. Similarly, leave encashment liability is also provided on actual basis. The management feels that provision on actual basis is more prudent than the actuarial estimate in view of only three employees on roll.

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

- a. Please refer to Note 27 of the Notes to Accounts forming part of Balance Sheet which is self-explanatory and does not call for any further comments.

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, 2017, 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, 2017 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, 2017 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.

Particulars of Employees

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

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

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

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

A. Conservation of Energy

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

B. Technology absorption: N.A.

C. Foreign exchange earnings and outgo

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

Disclosures

Meetings of the Board

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

Audit Committee

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

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

Extracts of Annual Return

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

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

During the year under review, no loan, investment, guarantees and securities has been provided.



Contracts and Arrangements with Related Parties

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

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

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

Your directors draw attention of the members to Note 40 to the financial statement which sets out related party disclosures.

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 2016-17. The Secretarial Audit Report for the financial year ended March 31, 2017 is enclosed as **Annexure – F** and forms an integral part of this Report.

The observations and comments given by the Secretarial Auditors in their report are self-explanatory and hence, do not call for any further comments under Section 204(3) of the Companies Act, 2013.

The Board has also re-appointed M/s Jayant Gupta and Associates, Practicing Company Secretaries to conduct secretarial audit of the Company for the financial year 2017-18.

Internal Financial Controls

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

Risk Management

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

Acknowledgement

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

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

For and on behalf of the Board of Directors

Place: Faridabad
Dated: July 25, 2017

Sd/-
Pritam Narang
Director
DIN: 00982418

Sd/-
Rochak Puri
Director
DIN: 00042536



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, 2017, the Company's Board comprised of Three (3) Directors out of which two (2) are Independent Non-Executive Directors.

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

The details of Directors with regard to their directorships and committee positions as on 31.03.2017 are as follows:

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

* Including Escorts Finance Limited.

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

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



(ii) Board Meetings

During the year ended on March 31, 2017 the Board of Directors met five (5) times on May 30, 2016, August 23, 2016, September 12, 2016, November 24, 2016 and February 13, 2017.

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.

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

Declaration by C.E.O.

The Board of Directors,
Escorts Finance Limited

Dear Sir,

I hereby confirm that:

The Company has received from the members of the Board and Senior Management, a declaration of Compliance with the Code of Conduct for Directors and Senior Management during the Financial Year ended on March 31, 2017.

Place: Faridabad

Dated: July 25, 2017

Sd/-

Pritam Narang

Whole-time Director

Whistle Blower Policy

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

III. Audit Committee

(i) Constitution

As on March 31, 2017 the Audit Committee comprises of the following Directors:

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

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



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

Terms of Reference

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

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



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

The Audit Committee is endowed with the following powers:

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

(ii) Meeting & Attendance

During the financial year 2016-17, Audit Committee met four (4) times on May 30, 2016, September 12, 2016, November 24, 2016 and February 13, 2017.

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

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

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

IV. Nomination & Remuneration Committee

Constitution

The Nomination and Remuneration Committee comprises of following Directors:

1. Mr. Rochak Puri – Independent Director – Chairman
2. Ms. Preeti Chauhan – Independent Director
3. Mr. Pritam Narang – Non Independent Director

Terms of Reference

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

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;



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

The Nomination and Remuneration Committee has been constituted to recommend/ review remuneration of the directors, key managerial personal and other employees, based on their performance and defined assessment criteria.

The remuneration policy is placed on the Company's website www.escortsfinance.com.

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 2016-17, one (1) meeting of the Nomination and Remuneration Committee were held on February 13, 2017, which was attended by all the members.

Remuneration of Directors

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

The details of sitting fees paid to Directors during the period April 1, 2016 to March 31, 2017 are as under:

Sl. No.	Name of Member	Relationship with other Directors	Sitting Fees (in Rs.)
1.	Mr. Pritam Narang	*	18,000
2.	Mr. Rochak Puri	*	18,000
3.	Ms. Preeti Chauhan	*	18,000
Total			54,000

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

(i) Shareholding of Non-Executive Directors of Company

As on March 31, 2017, none of the Directors of the Company held any share in the Company.

V. Stakeholders' Relationship Committee

(i) Constitution

As on March 31, 2017, the Committee comprises of the following Directors:

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

(ii) Terms of Reference

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

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

(iii) Meetings and Attendance

During the financial year 2016-17, 4 (Four) meetings of the Stakeholders' Relationship Committee were held on May 30, 2016, September 12, 2016, November 24, 2016 and February 13, 2017.



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

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

(iv) Compliance Officer

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

(v) Manager

Mr. P.K. Marwah, Manager of the Company has resigned w.e.f. October 10, 2016.

(vi) Complaints received/ resolved

During the year under review, three (2) complaints were received from investors, which were replied/ resolved to the satisfaction of the investors. No complaint(s) are pending for redressal for the year 2016-17 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, 2017.

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
2015-16	Hotel KC Residency, SCO-377-380, Sector-35B, Chandigarh-160022	Friday, September 30, 2016	3:00 P.M.	None
2014-15	Hotel KC Residency, SCO-377-380, Sector-35B, Chandigarh-160022	Tuesday, September 29, 2015	3:00 P.M.	None
2013-14	Hotel KC Residency, SCO-377-380, Sector-35B, Chandigarh-160022	Friday, September 26, 2014	3:00 P.M.	One

Special Resolution passed through Postal Ballot

During the financial year 2016-17, the Company has not passed any Special Resolution through Postal Ballot.

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



VIII. DISCLOSURES

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

All the related party transactions during the financial year ended on March 31, 2017 were as per the "Policy on Materiality of Related Party Transactions and dealing with Related Parties

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

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

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

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

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

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

IX. Means of Communication

Key Financial reporting dates during the financial year 2016-17.

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

- For Quarter ended 30.06.16: Financial Express (English), Jansatta (Hindi).
- For Quarter ended 30.09.16: Financial Express (English), Jansatta (Hindi).
- For Quarter ended 31.12.16: Financial Express (English), Jansatta (Hindi).
- For Quarter/year ended 31.03.17: Financial Express (English), Jansatta (Hindi).

The Quarterly Results were displayed on Company's website viz. **www.escortsfinance.com** in accordance with the requirement of SEBI Listing Regulations.

X. General Shareholder Information

(i) Company Registration Details

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

(ii) Annual General Meeting

Day & Date : Tuesday, September 26, 2017
Time : 3:00 P.M.
Venue : Hotel KC Residency,
SCO 377-380, Sector – 35B,
Chandigarh – 160 035

(iii) Financial year: April 1 to March 31

(iv) Appointment/ Reappointment of Directors

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

Pursuant to the resignation of Mr. P.K. Marwah, Manager of the Company, Mr. Pritam Narang has been appointed as Whole-time Director of the Company w.e.f. April 26, 2017.



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

Name and DIN	Qualification	Area of Expertise	Other Directorships	Committee Memberships
Rochak Puri 00042536	B.Com (Hons) from Delhi University, Member of ICSI, Intermediate of ICWA.	Mr. Puri is a Financial Planner and Consultants, regular speaker in International conferences and active and dynamic participant in Workshops/ seminars on human technology at both domestic and International Platforms.	NIL	<ul style="list-style-type: none"> Share transfer Committee - Member Stakeholder's Relationship Committee – Chairman Committee of Banking and Legal Matters - Member Nomination and Remuneration Committee – Chairman Audit Committee – Chairman
Pritam Narang 00982418	B.Com (Hons) from Delhi University, M.Com from Rajasthan University, Intermediate (Group – 1) of ICWA	Mr. Narang is having Experience in Accounts & Finance, Export & Import, Third Country International Trade, Corporate Aviation Management, Corporate Administration, Projects, travel trade. He is also governing Board member of Business Aircraft Operator Association.	Escorts Consumer Credit Limited	Escorts Finance Limited <ul style="list-style-type: none"> Share transfer Committee – Chairman Risk Management Committee – Chairman Committee of Banking and Legal Matters - Chairman Stakeholder's Relationship Committee - Member Audit Committee – Member Nomination and Remuneration Committee - Member
Ms. Preeti Chauhan 06567695	Graduate from Delhi University, M.Com in Business Policy and Corporate Governance from IGNOU and Member of ICSI.	Ms. Preeti Chauhan is having experience in Secretarial, Legal, Finance and accounts.	NIL	<ul style="list-style-type: none"> Share transfer Committee - Member Stakeholder's Relationship Committee – Member Committee of Banking and Legal Matters - Member Nomination and Remuneration Committee – Member Audit Committee – Member

(v) Financial Calendar 2017-18 (tentative)

Meetings of Board/ Committee thereof to take on record	:	
Financial results for quarter ended June 30, 2017	:	By August 14, 2017
Financial results for quarter ended September 30, 2017	:	By November 14, 2017
Financial results for quarter ended December 31, 2017	:	By February 14, 2018
Financial results for quarter/ year ended March 31, 2018	:	By May 30, 2018

(vi) Annual General Meeting for the Financial Year ending March, 2018: By September 30, 2018.

(vii) Book Closure

The members register will be closed from September 19, 2017 to September 26, 2017 (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 19, 2017 has been fixed as the cut-off date to record entitlement of the shareholder to cast their vote electronically.

(x) Listing:

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

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

The Company has paid the Annual Listing Fees till date.



(xi) Registrar & Share Transfer Agent

In terms of SEBI circular dated December 27, 2002, the share transfer work in both physical as well as electronic modes has been carried on by Alankit Assignments Ltd., Category I Registrar and Transfer Agents having office at Alankit House, 1E/13, Jhandewalan Extension, New Delhi – 110 055.

(xii) Share Transfer System

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

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

(xiii) Monthly Stock Market Data

Monthly high and low prices (based on daily closing prices) of Company's Shares at BSE for the financial year ended on March 31, 2017 were as follows:

Month	High		Low	
	BSE Sensex	Share price (in Rs.)	BSE Sensex	Share price (in Rs.)
April 2016	26,100.54	4.50	24,523.20	3.71
May 2016	26,837.20	5.20	25,057.93	3.74
June 2016	27,105.41	5.60	25,911.33	4.15
July 2016	28,240.20	5.90	27,034.14	4.37
August 2016	28,532.25	7.68	27,627.97	4.51
September 2016	29,077.28	12.52	27,716.78	6.92
October 2016	28,477.65	19.18	27,488.30	12.26
November 2016	28,029.80	17.48	25,717.93	10.63
December 2016	26,803.76	12.29	25,753.74	8.96
January 2017	27,980.39	12.02	26,447.06	9.58
February 2017	29,065.31	12.23	27,590.10	9.31
March 2017	29,824.62	12.83	28,716.21	10.10

(xiv) Distribution of Shareholding as on March 31, 2017:

No. of shares	No. of shareholders	No. of shares held	% of Total
Upto 100	20245	1762859	4.38
101 to 500	3702	1139573	2.831
501 to 1000	1080	959628	2.384
1001 to 5000	952	2390631	5.939
5001 to 10000	165	1312505	3.261
10001 to 20000	58	826208	2.053
20001 to 30000	18	441284	1.096
30001 to 40000	7	252655	0.628
40001 to 50000	4	181167	0.450
50001 to 100000	9	667956	1.660
100001 to 500000	3	395988	0.984
500001 and above	4	29919546	74.334
TOTAL	26247	40250000	100.00



(xv) Shareholding Pattern as on March 31, 2017:

Category	No. of Share-holders	No. of Shares held	% to the Capital
Promoter & Promoter Group:			
a) Indian	7	28003178	69.573
b) Foreign	NIL	NIL	NIL
Public Shareholding Institutions:			
a) Mutual Funds & UTI	NIL	NIL	NIL
b) Banks/ FIs	2	5800	0.012
c) FIIs/ VCs etc.	NIL	NIL	NIL
Non Institutions:			
a) Private Bodies Corporate	258	3046686	7.569
b) Indian Public	25946	9009556	22.384
c) NRIs/ OCBs etc.	34	185580	0.461
TOTAL	26247	40250000	100.00

(xvi) Dematerialisation

As on March 31, 2017 dematerialized shares accounted for 95.62% (95.57% up to March 31, 2016) of the total equity shares.

(xvii) Outstanding GDRs/ ADRs/ Warrants etc.

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

(xviii) Plant Location

There is no manufacturing location for the Company.

(xix) Address for correspondence:

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

(xx) Registrar and Transfer Agents:

Alankit Assignments Limited
Alankit House, 1E/13
Jhandewalan Extension
New Delhi – 110055
Tel:- +91-11-42541953,
Fax: +91-11-23552001
Email-id:- rta@alankit.com

For and on behalf of the Board of Directors

Sd/-
Pritam Narang
Director
DIN: 00982418

Sd/-
Rochak Puri
Director
DIN: 00042536

Place: Faridabad
Dated: July 25, 2017



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, 2017.

To,
The Board of Directors
Escorts Finance Limited

Dear Sir,

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

- a. We have reviewed financial statements and the cash flow statement of Escorts Finance Limited for the financial year ended March 31, 2017 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 24, 2017

Sd/-
Donald Fernandez
Chief Financial Officer

Sd/-
Pritam Narang
Whole-time Director



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

To,
The Members
Escorts Finance Limited

- (1) We have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2017, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 42(2) and para C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

Management Responsibility

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

Auditor's Responsibility

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

Opinion

- (7) Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the SEBI Listing Regulations during the year ended March 31, 2017.
- (8) We state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Restriction on use

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

Place: Faridabad
Dated: July 25, 2017

For N.M. Rajji & Co.
Chartered Accountants
Firm Registration No. 108296W

Sd/-
CA S.N.Shivakumar
Partner
M.No. 88113



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 2016-17, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17, 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 2016-17 (Rs. In Lacs)	% Increase in Remuneration in the financial year 2016-17	Ratio of remuneration of each Director/ to median remuneration of employees
1.	Mr. Pritam Narang, Non-Executive Director	0.16	0	0.05
2.	Mr. Rochak Puri, Non-Executive Director	0.16	0	0.05
3.	Ms. Preeti Chauhan, Non-Executive Director	0.16	0	0.05
4.	Mr. P.K. Marwah, Manager*	0	0	Not Applicable
5.	Mr. Donald Fernandez, Chief Financial Officer	6.24	6.00%	
6.	Mr. Vicky Chauhan, Company Secretary	0	0	

* Resigned as Manager w.e.f. October 10, 2016

- (ii) In the financial year, there was an increase of 5.03% in the median remuneration of employees.
- (iii) There were 3 permanent employees on the rolls of the Company as on March 31, 2017.
- (iv) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2016-17 was 6% whereas no managerial remuneration was paid during the financial year.
- (v) The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel, Senior Management and other Employees.
- (vi) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year – Not Applicable; and
- (vii) It is hereby affirmed that the remuneration paid is as per the 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: July 25, 2017**

Sd/-
Pritam Narang
Director
DIN: 00982418

Sd/-
Rochak Puri
Director
DIN: 00042536



FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2017

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

I. REGISTRATION & OTHER DETAILS:

I.	CIN	L65910CH1987PLC033652
II.	Registration Date	February 9, 1987
III.	Name of the Company	Escorts Finance Limited
IV.	Category/ Sub-Category of the Company	Public Company/ Limited by shares
V.	Address of the Registered office and contact details	SCO - 198-200, Second Floor, Sector - 34A, Chandigarh-160 022
VI.	Whether Listed Company	Yes
VII.	Name, Address and Contact details of Registrar and Transfer Agent	Alankit Assignments Limited Alankit House, 1E/13, Jhandewalan Extn. New Delhi – 110 055 Tel: +91-11-42541953 Fax: +91-11-23552001 E-mail id: rta@alankit.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

Sl.No.	Name and Description of main products/services	NIC Code of the Product/ service	% to total turnover of the company
----- NIL -----			

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl.No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Escorts Asset Management Limited 11, Scindia House, Connaught Circus, New Delhi – 110 001	U74899DL1995PLC074265	Associate	48.99%	Section 2(6) of the Companies Act, 2013



IV. SHARE HOLDING PATTERN (Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on April 01, 2016]				No. of Shares held at the end of the year [As on March 31, 2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1. Indian									
a) Individual/ HUF	61000	0	61000	0.152	61000	0	61000	0.152	0
b) Central Govt/ State Govt(s)	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	4444700	0	4444700	11.043	4444700	0	4444700	11.043	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any other: Trust	23497478	0	23497478	58.379	23497478	0	23497478	58.379	0
Sub Total (A) (1)	28003178	0	28003178	69.573	28003178	0	28003178	69.573	0
2. Foreign									
a) Individuals (NRI/ Foreign Individual)	0	0	0	0	0	0	0	0	0
b) Government	0	0	0	0	0	0	0	0	0
c) Institutions	0	0	0	0	0	0	0	0	0
d) Foreign Portfolio Investor	0	0	0	0	0	0	0	0	0
Sub Total (A)(2)	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	28003178	0	28003178	69.573	28003178	0	28003178	69.573	0
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Venture Capital Funds	0	0	0	0	0	0	0	0	0
c) Alternate Investment Funds	0	0	0	0	0	0	0	0	0
d) Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0
e) Foreign Portfolio Investors	0	0	0	0	0	0	0	0	0
f) Financial Institutions/ Banks	0	5000	5000	0.012	0	5000	5000	0.012	0
g) Insurance Companies	0	0	0	0	0	0	0	0	0
h) Provident Funds/ Pension Funds	0	0	0	0	0	0	0	0	0
i) Central Government/ State Government(s)/ President of India	0	0	0	0	0	0	0	0	0
j) Others (specify)	0	0	0	0	0	0	0	0	0
Sub Total (B)(1)	0	5000	5000	0.012	0	5000	5000	0.012	0
2. Non Institutions									
a) Bodies corporates									
i. Indian	3484738	14700	3499438	8.695	3031986	14700	3046686	7.570	-1.125
ii. Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i. Individual shareholders holding nominal share capital upto Rs. 2 lakh	5031887	1763399	6795286	16.883	6015763	1744091	7759854	19.279	2.396
ii. Individual shareholders holding nominal share capital in excess of Rs 2 lakh	1346601	0	1346601	3.346	1249702	0	1249702	3.105	-0.241
c) NBFC registered with RBI	600	0	600	0	0	0	0	0	-0.001
d) Others - NRI	599897	0	599897	1.491	185580	0	185580	0.461	-1.029
Sub-total (B)(2):-	10463723	1778099	12241822	30.415	10483031	1758791	12241822	30.415	0
Total Public Shareholding (B)=(B)(1)+ (B)(2)	10463723	1783099	12246822	30.427	10483031	1763791	12246822	30.427	0
C. Shares Held by Custodian for GDRS & ADRS	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	38466901	1783099	40250000	100	38486209	1763791	40250000	100	0



(ii) Shareholding of Promoters

Sl. No.	Shareholders Name	Shareholding at the Beginning of the Financial Year (April 1, 2016)			Shareholding at the End of the Financial Year (March 31, 2017)			% Change in Shareholding During the Year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged Encumbered to Total Shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged Encumbered to Total Shares	
1	Nitasha Nanda	900	0.002	0	900	0.002	0	-
2	Rajan Nanda with Ritu Nanda	30000	0.075	0	30000	0.075	0	-
3	Rajan Nanda with Nitasha Nanda	30000	0.075	0	30000	0.075	0	-
4	Ritu Nanda	100	0.000	0	100	0.000	0	-
5	Escorts Benefit & Welfare Trust	23497478	58.379	0	23497478	58.379	0	-
6	Escorts Limited	3819700	9.490	0	3819700	9.490	0	-
7	Escorts Securities Limited	625000	1.553	0	625000	1.553	0	-
	Total	28003178	69.573	0	28003178	69.573	0	0

(iii) Change in Promoters' Shareholding: No change in the Promoters' Shareholding during the year

Sl. No.	Name	Shareholding		Date	Increase / Decrease in shareholding (No.)	Reason	Cumulative Shareholding During the Year (01-04-2016 to 31-03-2017)	
		No. of shares at the beginning (01-04-2016)/ end of the year (31-03-2017)	% of total shares of the Company				No. of shares	% of total shares of the Company
----- Not Applicable -----								

(iv) Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding (No.)	Reason	Cumulative Shareholding during the year (01-04-2016 to 31-03-2017)	
		No. of shares at the beginning (01-04-2016)/ end of the year (31-03-2017)	% of total shares of the Company				No. of shares	% to total shares of the Company
1	Ramesh Chand	7324	0.02	01-04-2016			7324	0.02
				12-08-2016	70688	Purchase	78012	0.19
		79512	0.20	31-03-2017	1500	Purchase	79512	0.20
2	Amita Agarwal	0	-	01-04-2016				
				09-09-2016	30000	Purchase	30000	0.07
				22-09-2016	65000	Purchase	95000	0.24
				07-10-2016	10000	Purchase	105000	0.26
				28-10-2016	-10000	Sale	95000	0.24
				03-03-2017	-10000	Sale	85000	0.21
		85000	0.21	31-03-2017			85000	0.21



Sl. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding (No.)	Reason	Cumulative Shareholding during the year (01-04-2016 to 31-03-2017)	
		No. of shares at the beginning (01-04-2016)/ end of the year (31-03-2017)	% of total shares of the Company				No. of shares	% to total shares of the Company
3	Dipti K Somaiya	438732	1.09	01-04-2016			438732	1.09
				27-05-2016	2379	Purchase	441111	1.10
				10-06-2016	21444	Purchase	462555	1.15
				15-07-2016	18450	Purchase	481005	1.20
				22-07-2016	5000	Purchase	486005	1.21
				29-07-2016	11250	Purchase	497255	1.24
				19-08-2016	2846	Purchase	500101	1.24
				26-08-2016	25000	Purchase	525101	1.30
				02-09-2016	15000	Purchase	540101	1.34
				16-09-2016	11000	Purchase	551101	1.37
				30-09-2016	8200	Purchase	559301	1.39
				07-10-2016	80810	Purchase	640111	1.59
				14-10-2016	-25110	Sale	615001	1.53
				28-10-2016	-207881	Sale	407120	1.01
				04-11-2016	67487	Purchase	474607	1.18
				11-11-2016	-5135	Sale	469472	1.17
				18-11-2016	-9643	Sale	459829	1.14
				25-11-2016	-4244	Sale	455585	1.13
				02-12-2016	-117787	Sale	337798	0.84
				09-12-2016	-79950	Sale	257848	0.64
		16-12-2016	-9434	Sale	248414	0.62		
		23-12-2016	-3954	Sale	244460	0.61		
		30-12-2016	467	Purchase	244927	0.61		
		06-01-2017	-685	Sale	244242	0.61		
		13-01-2017	-10444	Sale	233798	0.58		
		10-02-2017	-52246	Sale	181552	0.45		
		03-03-2017	-56886	Sale	124666	0.31		
		124666	0.31	31-03-2017			124666	0.31
4	Escorts Automotives Pvt. Ltd.	151322	0.38	01-04-2016				
		151322	0.38	31-03-2017			151322	0.38
5	Escorts Benefit and Welfare Trust	23497478	58.38	01-04-2016				
		23497478	58.38	31-03-2017			23497478	58.38
6	Escorts Securities Limited	2377368	5.91	01-04-2016			2377368	5.91
				09-09-2016	-282000	Sale	2095368	5.21
				16-09-2016	47000	Purchase	2142368	5.32
				22-09-2016	-45000	Sale	2097368	5.21
				23-09-2016	10000	Purchase	2107368	5.24
				30-09-2016	5000	Purchase	2112368	5.25
				07-10-2016	-25000	Sale	2087368	5.19
				14-10-2016	-6000	Sale	2081368	5.17
				21-10-2016	-4000	Sale	2077368	5.16
				23-12-2016	1200	Purchase	2078568	5.16
		30-12-2016	-1200	Sale	2077368	5.16		



Sl. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding (No.)	Reason	Cumulative Shareholding during the year (01-04-2016 to 31-03-2017)	
		No. of shares at the beginning (01-04-2016)/ end of the year (31-03-2017)	% of total shares of the Company				No. of shares	% to total shares of the Company
				13-01-2017	8658	Purchase	2086026	5.18
				03-03-2017	-100000	Sale	1986026	4.93
				17-03-2017	-450	Sale	1985576	4.93
		1986026	4.93	31-03-2017	450	Purchase	1986026	4.93
7	Share India Securities Limited	354	0.00	01-04-2016			354	0.00
				19-08-2016	-300	Sale	54	0.00
				09-09-2016	-54	Sale	0	-
				16-09-2016	510	Purchase	510	0.00
				07-10-2016	500	Purchase	1010	0.00
				21-10-2016	490	Purchase	1500	0.00
				04-11-2016	98560	Purchase	100060	0.25
				02-12-2016	200	Purchase	100260	0.25
				30-12-2016	500	Purchase	100760	0.25
				20-01-2017	300	Purchase	101060	0.25
				24-02-2017	-500	Sale	100560	0.25
				10-03-2017	-1600	Sale	98960	0.25
		98960	0.25	31-03-2017			98960	0.25
8	T K S Nair	0	-	01-04-2016				
				16-09-2016	10000	Purchase	10000	0.02
				21-10-2016	20000	Purchase	30000	0.07
				28-10-2016	100000	Purchase	130000	0.32
				04-11-2016	-10000	Sale	120000	0.30
		120000	0.30	31-03-2017			120000	0.30
9	Bhavisha Tulsibhai Vora	41178	0.10	01-04-2016			41178	0.10
				15-04-2016	40822	Purchase	82000	0.20
				28-10-2016	2919	Purchase	84919	0.21
				04-11-2016	5081	Purchase	90000	0.22
		90000	0.22	31-03-2017			90000	0.22
10	Mamta Sancheti	54772	0.14	01-04-2016			54772	0.14
				30-06-2016	40000	Purchase	94772	0.24
				09-09-2016	-5000	Sale	89772	0.22
				22-09-2016	-9772	Sale	80000	0.20
				07-10-2016	-10000	Sale	70000	0.17
		70000	0.17	31-03-2017			70000	0.17

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

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding (No.)	Reason	Cumulative Shareholding during the year (01-04-2016 to 31-03-2017)	
		No. of shares at the beginning (01-04-2016)/ end of the year (31-03-2017)	% of total shares of the Company				No. of shares	% to total shares of the Company
----- Not Applicable -----								



V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits (Rs. in Lacs)	Total Indebtedness (Rs. in Lacs)
Indebtedness at the beginning of the financial year				
(i) Principal Amount	-	-	1271.28	1271.28
(ii) Interest due but not paid	-	-	7.50	7.50
(iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	1278.78	1278.78
Change in Indebtedness during the financial year				
• Addition	-	-	-	-
• Reduction	-	-	146.21	146.21
Net Change	-	-	(146.21)	(146.21)
Indebtedness at the end of the financial year				
(i) Principal Amount	-	-	1125.41	1125.41
(ii) Interest due but not paid	-	-	7.16	7.16
(iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	1132.57	1132.57

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

(Amount in INR)

S. No.	Particulars of Remuneration	Mr. P.K. Marwah*	Total Amount (In Rs.)
1	Gross Salary		
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-
(b)	Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	-
(c)	Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission		
	-as % of profit	-	-
	-others	-	-
5	Others	-	-
	Total (A)	-	-
	Overall Ceiling as per the Act	The Company incurred a loss of Rs. 5.82 Lacs during the year ended March 31, 2017.	

* Resigned w.e.f. October 10, 2016



B. Remuneration to Other Directors

S.No.	Particulars of Remuneration	Name of Directors		Total Amount (In Rs.)
		Mr. Rochak Puri	Ms. Preeti Chauhan	
1	Independent Directors			
	• Fee for attending Board/ Committee Meetings	0.18	0.18	0.36
	• Commission	-	-	-
	• Others	-	-	-
	Total (1)	0.18	0.18	0.36
2	Other Non-Executive Directors	Mr. Pritam Narang		Total Amount (In Rs.)
	• Fee for attending Board/ Committee Meetings	0.18	-	0.18
	• Commission	-	-	-
	• Others	-	-	-
	Total (2)	0.18	-	0.18
	Total (B) = (1+2)	0.36	0.18	0.54
	Total Managerial Remuneration			0.54
	Overall Ceiling as per the Act	The Company incurred a loss of Rs. 5.82 Lacs during the year ended March 31, 2017.		

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

S.No.	Particulars of Remuneration	Name of Directors		Total Amount (In Rs.)
		Mr. Donald Fernandez	Mr. Vicky Chauhan	
1	Independent Directors			
	a. Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	6.24	-	6.24
	b. Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-
	c. Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	-as % of profit	-	-	-
	-others	-	-	-
5	Others	-	-	-
	Total	6.24	-	6.24



VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

For and on behalf of the Board of Directors

Sd/-
Pritam Narang
Director
DIN: 00982418

Sd/-
Rochak Puri
Director
DIN: 00042536

Place: Faridabad
Dated: July 25, 2017

Annexure-E

Form No. AOC-2

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

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

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

For and on behalf of the Board of Directors

Sd/-
Pritam Narang
Director
DIN: 00982418

Sd/-
Rochak Puri
Director
DIN: 00042536

Place: Faridabad
Dated: July 25, 2017



FORM NO. MR-3
Secretarial Audit Report
(For the Financial Year ended 31st March, 2017)

[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 - 198-200, Second Floor, Sector - 34A,
Chandigarh-160022, Haryana

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Escorts Finance Limited (hereinafter called "the Company"/ "EFL"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon. Based on my verification of Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended on 31st March, 2017, 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by EFL for the period ended on 31st March, 2017 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the Rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not Applicable to the Company during the Audit period);
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not Applicable to the Company during the Audit period);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not Applicable to the Company during the Audit period);
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (Not Applicable to the Company during the Audit period);
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not Applicable to the Company during the Audit period); and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not Applicable to the Company during the Audit period); and
 - (i) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015;
- VI. I further report that, having regard to the compliance system prevailing in the Company and based on the representation made by the management of the Company and on examination of the relevant documents and records in pursuance thereof, the Company has complied with the following laws applicable specifically to the Company:
 - (a) RBI Act, 1934;
 - (b) Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998 (as amended from time to time);
 - (c) Non-Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007;

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

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India in regard to the Board and General Meeting;
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the observation that *at the end of financial year March 31, 2017 there is an unclaimed/unpaid fixed deposit liability of Rs. 1132.57 Lacs.*



I further report that:

- a. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.
- b. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- c. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- d. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

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

- a) The Reserve Bank of India, vide its letter dated 6th May, 2016, cancelled the Certificate of Registration (COR) of the Company given under Section 45-IA of the RBI Act, 1934 and has de-registered the Company of its NBFC status as the Company was not carrying any business activity relating to NBFI that require it to hold COR.
- b) The 95,00,000 10% Redeemable Cumulative Preference shares of Rs. 10 each aggregating Rs. 9.50 crores, issued by the Company and which were due for redemption on 27th June, 2012, have been rolled over for a further period of 5 years i.e. upto 27th June, 2017.

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

For **Jayant Gupta and Associates**

Sd/-

(Jayant Gupta)

Practicing Company Secretary

FCS : 7288

CP : 9738

Place : New Delhi

Date : July 25, 2017

Annexure to the Secretarial Audit Report of Escorts Finance Limited for financial year ended March 31, 2017

To,
The Members
Escorts Finance Limited

Management Responsibility for Compliances

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

For **Jayant Gupta and Associates**

Sd/-

(Jayant Gupta)

Practicing Company Secretary

FCS : 7288

CP : 9738

Place : New Delhi

Date : July 25, 2017



TO THE MEMBERS OF ESCORTS FINANCE LIMITED

1. Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **ESCORTS FINANCE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. Management's Responsibility for the Standalone Financial Statements

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

3. Auditor's Responsibility

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

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

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

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

4. Basis of Qualified Opinion

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

- (i) Note No. 27, regarding unpaid/unclaimed matured Fixed Deposit Liability aggregating to Rs. 1132.57 lacs as on balance sheet date;**
- (ii) Note No. 31, regarding non-provision towards interest on cumulative preference shares amounting to Rs. 95.00 lacs for the year; and**
- (iii) Note No. 32, regarding non-determination of Employee Terminal Benefits on actuarial basis. In the absence of the same, the impact thereof on the profit and liabilities of the Company cannot be ascertained.**

5. Opinion

In our opinion and to the best of our information and according to the explanations given to us, **except for the effect of the matters described in sub-paragraphs (i), (ii) and (iii) under the Basis for Qualified Opinion above**, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its loss and its cash flows for the year ended on that date.

6. Emphasis of Matters

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

- (i) the Company had accumulated losses at the close of the financial year with its net worth continuing to stand



fully eroded and the financial statements have been prepared on going concern basis for reasons explained by the management, including the possibilities of venturing into newer business areas. We have relied on the representation made to us by the management.

- (ii) the Company was registered under section 45-IA of the Reserve Bank of India Act, 1934. The approval for cancellation of its NBFC registration had been received vide letter no. DNBS(NDI)S.3242/MSA/06.05.001/2015-16 dated May 6, 2016. Accordingly, the related provisions pertaining to NBFC will no longer be applicable to the Company post receipt of the RBI order.

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

7. Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account, as required by law, have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) **except for the effect of the matter described in sub-paragraph (i), (ii) and (iii) under the Basis for Qualified Opinion above**, in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) The matter described in sub-paragraph (a) under the Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on functioning of the Company;
 - (f) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (g) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A"; and
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note No. 25(c) to the financial statements;
 - ii. The Company did not have any foreseeable losses on long term contracts and had no derivative contracts outstanding as at March 31, 2017;
 - iii. The Company has not deposited amounts to the Investor Education and Protection Fund against unpaid fixed deposit liabilities including interest thereon as referred to in Note No. 27 to the financial statements; and
 - iv. The Company has provided requisite disclosures in the financial statements (Refer Note No 39) as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management.
2. 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 B" a statement on the matters specified in paragraph 3 and 4 of the Order.

For N. M. Rajji and Co.

Chartered Accountants

ICAI Firm Registration number: 108296W

Sd/-

CA. S. N. Shivakumar

Partner

Membership No. 088113

Place: Faridabad

Date: 24 May, 2017



ANNEXURE – A TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF ESCORTS FINANCE LIMITED (Referred to in Paragraph 7 point (g) under the heading of “Report on Other Legal and Regulatory Requirements” of our report of even date)

1. Report on the Internal Financial Controls under Clause(i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We were engaged to audit the internal financial controls over financial reporting of **ESCORTS FINANCE LIMITED** (“the Company”) as at March 31, 2017, in conjunction with our audit of the standalone financial statements of the Company for the period ended on that date.

2. 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 Companies Act, 2013.

3. Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit conducted in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India.

Because of the matter described in the Disclaimer of Opinion paragraph below, we were unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on internal financial controls system over financial reporting of the company.

4. 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.

5. Disclaimer of Opinion

According to information and explanations given to us, the Company has not established its internal financial controls over financial reporting on criteria based on or 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. Because of this reason, we are unable to obtain sufficient appropriate evidence to provide a basis for our opinion whether the Company had adequate internal financial controls over financial reporting, and whether such internal financial controls were operating effectively as at March 31, 2017.

We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the company and the disclaimer does not affect our opinion on the standalone financial statements of the Company

For N. M. Raiji and Co.

Chartered Accountants

ICAI Firm Registration number: 108296W

Sd/-

CA. S. N. Shivakumar

Partner

Membership No. 088113

Place: Faridabad

Date: 24 May, 2017



ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF ESCORTS FINANCE LIMITED (Referred to in Paragraph 2 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner at periodic intervals. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. As informed to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not own any immovable property and accordingly this clause is not applicable.
- (ii) In view of the nature of the operations of the Company, the Company does not hold any inventory other than stock of repossessed assets, which have been verified by the management during the year. Provision has been made in respect of discrepancies/ diminution in the value of such stock as at the year end.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Consequently, Clause (iii)(a), (iii)(b) and (iii)(c) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not dealt with any loans, guarantee, investments and security under the provision of section 185 and 186 of the Companies Act 2013. Consequently, Clause (iv) of the Order is not applicable to the Company.
- (v) In respect of any deposits accepted from the public, in our opinion and according to the information and explanation given to us, the directives issued by Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013, the Company had not complied with the said norms in relation to repayment of deposit on their respective maturity dates. However, in accordance with the Hon'ble Delhi High Court's Order / direction dated March 4, 2011, Escorts Benefit Trust (EBT) created by Escorts Limited, repaid matured fixed deposit liability against the claims received till March 3, 2013. Claims received after said dates are also being entertained and settled after due verification. As at March 31, 2017, the unpaid/unclaimed matured fixed deposits liability (including interest thereon) is Rs. 1132.57 lacs (Previous Year Rs. 1278.78 lacs).
- (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 March 31, 2017, for a period of more than six months from the date they became payable **except income tax liability amounting to Rs. 22.25 lacs.**
- b) According to the information and explanations given to us, the following statutory dues 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	Income Tax	AY 2004-05	DCIT, New Delhi	34.94
		AY 2005-06	DCIT, New Delhi	131.34
2	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

* after netting off amount deposited under protest.

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions or banks. The Company does not have any outstanding debentures.
- (ix) 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) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, Clause (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) In our opinion and according to the information and explanations given to us, no managerial remuneration has been paid or provided by the Company. Accordingly, Clause (xi) of the Order is not applicable.
- (xii) To the best of our knowledge and belief and according to the information and explanations given to us, the Company is not a Nidhi company. Consequently, Clause (xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review; 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 NBFC will no longer be applicable to the Company post receipt of the RBI order.

For N. M. Raiji and Co.

Chartered Accountants

ICAI Firm Registration number: 108296W

Sd/-

CA. S. N. Shivakumar

Partner

Membership No. 088113

Place: Faridabad

Date: 24 May, 2017

BALANCE SHEET AS AT 31 MARCH, 2017



(All amounts in Lacs unless stated otherwise)

Particulars	Note No.	As at 31 March, 2017	As at 31 March, 2016	As at 1 April, 2015
Assets				
1 Non-current assets				
a. Property, plant and equipment	3	0.11	0.11	0.11
b. Other intangible assets	4	0.09	0.09	0.09
c. Financial assets				
i. Investments	5	489.93	489.93	489.93
ii. Other financial assets	6	-	-	-
		<u>490.13</u>	<u>490.13</u>	<u>490.13</u>
2 Current assets				
a. Inventories	7	0.01	0.01	0.01
b. Financial assets				
i. Investments	5	0.01	0.01	0.01
ii. Trade receivables	8	-	-	-
iii. Cash and cash equivalents	9	0.24	3.75	1.00
iv. Bank balance other than (iii) above	10	29.50	30.79	1.55
v. Other financial assets	6	3.83	4.35	4.18
c. Other current assets	11	316.17	315.89	316.22
		<u>349.76</u>	<u>354.80</u>	<u>322.97</u>
		<u>839.89</u>	<u>844.93</u>	<u>813.10</u>
Total assets				
Equity and liabilities				
1 Equity				
a. Equity share capital	12	4,017.25	4,017.25	4,017.25
b. Other equity				
i. Retained earnings	13	(21,737.69)	(21,731.87)	(21,768.29)
		<u>(17,720.44)</u>	<u>(17,714.62)</u>	<u>(17,751.04)</u>
2 Liabilities				
Non-current liabilities				
a. Financial liabilities				
i. Borrowings	14	-	950.00	950.00
ii. Other financial liabilities	15	14,729.89	14,584.01	14,506.23
b. Provisions	16	2.76	2.45	2.13
		<u>14,732.65</u>	<u>15,536.46</u>	<u>15,458.36</u>
Current liabilities				
a. Financial liabilities				
i. Borrowings	14	950.00	-	-
ii. Other financial liabilities	15	2,686.03	2,831.84	2,914.15
b. Provisions	16	0.70	0.67	0.64
c. Current tax liabilities	17	188.54	188.54	188.54
d. Other current liabilities	18	2.41	2.04	2.45
		<u>3,827.68</u>	<u>3,023.09</u>	<u>3,105.78</u>
		<u>18,560.33</u>	<u>18,559.55</u>	<u>18,564.14</u>
		<u>839.89</u>	<u>844.93</u>	<u>813.10</u>

See accompanying notes to the financial statements

In terms of our report attached

For N.M. Rajji & Co.

Chartered Accountants

Firm's Registration No. 108296W

CA S N Shivakumar

Partner

Membership No. 088113

For and on behalf of the Board of Directors

Pritam Narang

Whole Time Director

DIN: 00982418

Rochak Puri

Director

DIN: 00042536

Vicky Chauhan

Company Secretary

M. No.: A27729

Donald Fernandez

Chief Financial Officer

PAN AAAPF9140N

Place: Faridabad

Date: 24 May, 2017

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31 MARCH, 2017



(All amounts in Lacs unless stated otherwise)

Particulars	Note No.	For the year ended 31 March, 2017	For the year ended 31 March, 2016
I Revenue from operations	19	29.81	76.19
II Other income	20	0.66	0.28
III Total income		30.47	76.47
IV Expenses			
Employee benefits expense	21	12.07	12.00
Depreciation and amortisation expense	22	-	-
Finance cost	23	-	0.01
Other expenses	24	24.22	28.04
Total expenses (IV)		36.29	40.05
V Profit/(Loss) before tax (III-IV)		(5.82)	36.42
VI Tax expense	33		
Current tax		-	-
Deferred tax credit		-	-
		-	-
VII Profit/(Loss) for the year (V-VI)		(5.82)	36.42
VIII Other comprehensive income		-	-
IX Total comprehensive income for the year (VII+VIII)		(5.82)	36.42
X Earning per equity share			
Equity shares of face value Rs. 10 each			
Basic	43	(0.01)	0.09
Diluted	43	(0.01)	0.09

See accompanying notes to the financial statements

In terms of our report attached

For N.M. Rajji & Co.
Chartered Accountants
Firm's Registration No. 108296W

For and on behalf of the Board of Directors

CA S N Shivakumar
Partner
Membership No. 088113

Pritam Narang
Whole Time Director
DIN: 00982418

Rochak Puri
Director
DIN: 00042536

Place: Faridabad
Date: 24 May, 2017

Vicky Chauhan
Company Secretary
M. No.: A27729

Donald Fernandez
Chief Financial Officer
PAN AAAPF9140N

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2017



(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		
Balance as at 1 April, 2015	40,250,000	4,017.25
Issue of equity share capital	-	-
Balance as at 31 March, 2016	40,250,000	4,017.25
Issue of equity share capital	-	-
Balance as at 31 March, 2017	40,250,000	4,017.25

B. Other equity

Particulars	Retained earnings	Total
Balance as at 1 April, 2015	(21,768.29)	(21,768.29)
Profit for the year	36.42	36.42
Other comprehensive income for the year, net of income tax	-	-
Balance as at 31 March, 2016	(21,731.87)	(21,731.87)
Profit for the year	(5.82)	(5.82)
Other comprehensive income for the year, net of income tax	-	-
Balance as at 31 March, 2017	(21,737.69)	(21,737.69)

See accompanying notes to the financial statements

In terms of our report attached

For N.M. Rajji & Co.
Chartered Accountants
Firm's Registration No. 108296W

For and on behalf of the Board of Directors

CA S N Shivakumar
Partner
Membership No. 088113

Pritam Narang
Whole Time Director
DIN: 00982418

Rochak Puri
Director
DIN: 00042536

Place: Faridabad
Date: 24 May, 2017

Vicky Chauhan
Company Secretary
M. No.: A27729

Donald Fernandez
Chief Financial Officer
PAN AAAPF9140N

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH, 2017



(All amounts in Lacs unless stated otherwise)

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
A. Cash flow from operating activities		
Profit/(loss) after tax	(5.82)	36.42
Adjustments for :		
Income tax expense recognised in profit or loss	-	-
Depreciation of plant, property and equipment	-	-
Excess provision written back	(26.70)	(53.47)
Provision for Gratuity & Leave Encashment	0.34	0.35
Finance cost	-	0.01
	<u>(32.18)</u>	<u>(16.69)</u>
Changes in assets and liabilities		
(Increase)/decrease in other financial assets	0.52	(0.17)
(Increase)/decrease in trade receivables	26.70	53.47
(Increase)/decrease in other assets	(0.28)	0.33
Increase/(decrease) in trade payable	-	-
Increase/(decrease) in other liabilities	146.65	73.68
Cash generated from operating activities	141.41	110.62
Financial Expenses	-	(0.01)
Net cash generated from operating activities	141.41	110.61
B. Cash Flow from Investing Activities		
Purchase of property, plant and equipment	-	-
Investment made	-	-
Net cash generated from/(used in) investing activities	-	-
C. Cash flows from financing activities		
Increase/(Decrease) in Fixed Deposits	(146.21)	(78.62)
Net cash generated from/(used in) financing activities	(146.21)	(78.62)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(4.80)	31.99
Cash and cash equivalents at the beginning of year	34.54	2.55
Cash and cash equivalents at the end of year	29.74	34.54

- 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.

In terms of our report attached

For N.M. Raiji & Co.
Chartered Accountants
Firm's Registration No. 108296W

For and on behalf of the Board of Directors

CA S N Shivakumar
Partner
Membership No. 088113

Pritam Narang
Whole Time Director
DIN: 00982418

Rochak Puri
Director
DIN: 00042536

Place: Faridabad
Date: 24 May, 2017

Vicky Chauhan
Company Secretary
M. No.: A27729

Donald Fernandez
Chief Financial Officer
PAN AAAPF9140N



1 Corporate Information

Escorts Finance Limited "the Company" is a public company incorporated under Indian Companies Act, 1956 having its registered office at Chandigarh. The Company is a listed company at Bombay Stock Exchange.

The registered office of the company is located at SCO 198-200, Second Floor, Sector-34A, Chandigarh, India. The Company's CIN is - L65910CH1987PLC033652.

2 Significant Accounting Policies :

2.01 Basis for Preparation

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards ("Ind AS"), notified under the Companies (Indian Accounting Standards) Rules, 2015, with effect from 1 April, 2016.

The transition from the previous GAAP (i.e., I GAAP) to Ind AS has been accounted for, in accordance with Ind AS 101 "First Time Adoption of Indian Accounting Standards", with April 1, 2015, as the transition date.

The financial statements have been prepared under the historical cost convention, with the exception of certain assets and liabilities that are required to be carried at fair values by Ind-AS.

These financial statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013.

2.02 Use of estimates and critical accounting judgments

In preparation of the financial statements, the Company makes judgments, estimates and assumptions about the carrying amounts of assets and liabilities. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Significant judgments and estimates relating to the carrying amounts of assets and liabilities include useful lives of tangible and intangible assets, impairment of tangible assets and intangible assets, provision for employee benefits and other provisions, recoverability of deferred tax assets and commitments and contingencies.

2.03 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.

2.04 Foreign currencies

The functional currency of the Company is Indian rupee.

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. "

2.05 Employee benefits

a) Defined benefit plans

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



b) Defined contribution plans

Employee benefits in the form of Provident Fund are considered as defined contributions Plan. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

c) Compensated absences

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

2.06 Taxation

Tax expense for the year comprises current and deferred tax.

a) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of profit and loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates and tax laws enacted in the country.

b) Deferred tax

Deferred tax is the tax expected to be payable or recoverable on 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, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences. In contrast, deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

c) Current and deferred tax for the year

Current and deferred tax are recognised as an expense or income in the statement of profit and loss, except when they relate to items credited or debited either in other comprehensive income or directly in equity, in which case the tax is also recognised in other comprehensive income or directly in equity.

2.07 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.

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.

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

2.08 Intangible assets

Development of property 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. All other costs on development property and software are expensed in the statement of profit and loss as incurred.

2.09 Inventories

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



2.10 Provisions

Provisions are recognised in the balance sheet when the Company has a present obligation (legal or constructive) as a result of a past event, which is expected to result in an outflow of resources embodying economic benefits which can be reliably estimated. Each provision is based on the best estimate of the expenditure required to settle the present obligation at the balance sheet date.

Constructive obligation is an obligation that derives from an entity's actions where:

- (a) by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities; and
- (b) As a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities. "

2.11 Financial Instruments

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.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

A. Financial Assets

a. Financial assets carried at amortised cost

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

b. Financial assets at fair value through other comprehensive income

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

c. Financial assets at fair value through profit or loss

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

d. Impairment of financial assets

Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and fair value through other comprehensive income. Loss allowance equal to the lifetime expected credit losses is recognised if the credit risk on the financial instruments has significantly increased since initial recognition. For financial instruments whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognised.

e. Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards



of ownership and continues to control the transferred asset, the Company recognises its retained interest in the assets and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing of the proceeds received.

B. Financial liabilities and equity instruments**Classification as debt or equity**

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial Liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method.

Interest-bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Company's accounting policy for borrowing costs.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.



(All amounts in Lacs unless stated otherwise)

3 Property, plant and equipment

	Computers	Office equipment	Furniture and fixtures	Total
Cost or deemed cost				
Balance as at 1 April, 2015	-	22.18	1.37	23.55
Additions	-	-	-	-
Disposals	-	7.67	-	7.67
Balance as at 31 March, 2016	-	14.51	1.37	15.88
Additions/Adjustments	-	-	-	-
Disposals	-	-	-	-
Balance as at 31 March, 2017	-	14.51	1.37	15.88
Accumulated depreciation				
Balance as at 1 April, 2015	-	22.09	1.35	23.44
Depreciation expense	-	-	-	-
Elimination on disposals of assets	-	7.67	-	7.67
Balance as at 31 March, 2016	-	14.42	1.35	15.77
Depreciation expense	-	-	-	-
Elimination on disposals of assets	-	-	-	-
Balance as at 31 March, 2017	-	14.42	1.35	15.77
Net carrying amount				
Balance as at 1 April, 2015	-	0.09	0.02	0.11
Balance as at 31 March, 2016	-	0.09	0.02	0.11
Balance as at 31 March, 2017	-	0.09	0.02	0.11

4 Other intangible assets

	Computer software	Total
Cost or deemed cost		
Balance as at 1 April, 2015	0.53	0.53
Additions	-	-
Disposals	-	-
Balance as at 31 March, 2016	0.53	0.53
Additions	-	-
Disposals	-	-
Balance as at 31 March, 2017	0.53	0.53
Accumulated amortisation		
Balance as at 1 April, 2015	0.44	0.44
Amortisation expense	-	-
Disposals	-	-
Balance as at 31 March, 2016	0.44	0.44
Amortisation expense	-	-
Disposals	-	-
Balance as at 31 March, 2017	0.44	0.44
Net carrying amount		
At 1 April, 2015	0.09	0.09
At 31 March, 2016	0.09	0.09
Balance as at 31 March, 2017	0.09	0.09



(All amounts in Lacs unless stated otherwise)

5 Investments

Non-current

Investments in equity instruments (fully paid)

	As at 31 March, 2017	As at 31 March, 2016	As at 1 April, 2015
Unquoted (Non-Trade Investments) 48,99,300 Equity Shares of ESCORTS ASSETS MANAGEMENT LIMITED (31 March, 2016: 48,99,300; 1 April, 2015: 48,99,300)	489.93	489.93	489.93

Current

Investments in equity instruments (fully paid)

Unquoted (Non-Trade Investments) 100 Equity Shares of Rs.10/- each of ESCORTS INVESTMENT TRUST LIMITED (31 March, 2016: 100; 1 April, 2015: 100)	0.01	0.01	0.01
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Unquoted (Trade Investments) 1,90,000 Equity Shares of Rs.10/- each of ESCORT CONSUMER CREDIT LIMITED (31 March, 2016: 1,90,000; 1 April, 2015: 1,90,000)	0.02	0.02	0.02
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92,485 Equity Shares of Rs.10/- each of G R SOLVENTS & ALLIED INDUSTRIES LIMITED (31 March, 2016: 92,485; 1 April, 2015: 92,485)	7.40	7.40	7.40
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Less: Provision for Diminution in Value of Trade Investments	7.42	7.42	7.42
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Total

	7.43	7.43	7.43
	0.01	0.01	0.01
	489.94	489.94	489.94
Total	489.94	489.94	489.94
Current	0.01	0.01	0.01
Non-current	489.93	489.93	489.93
Total	489.94	489.94	489.94

6 Other financial assets

Non-current

Loans and Advances (unsecured; considered doubtful)	1,357.43	1,357.57	1,363.57
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Less: Provision for bad & doubtful loan & advances	1,357.43	1,357.57	1,363.57
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Current

Security deposits	3.73	4.29	4.15
Accrued interest	0.10	0.06	0.03
	3.83	4.35	4.18

7 Inventories

Stock of Repossessed Assets (As certified by the Management)	0.01	0.01	0.01
	0.01	0.01	0.01



(All amounts in Lacs unless stated otherwise)

8 Trade receivables

	As at 31 March, 2017	As at 31 March, 2016	As at 1 April, 2015
Unsecured			
i. Considered good	-	-	-
ii. Considered doubtful	716.75	793.52	846.99
	716.75	793.52	846.99
Less: Provision for bad and doubtful trade receivables	716.75	793.52	846.99
	-	-	-

Note:

Receivable from related parties	-	-	-
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9 Cash and cash equivalents

Cash on hand	0.24	3.75	1.00
Deposits with original maturity of less than three months	-	-	-
	0.24	3.75	1.00

10 Bank balance

Balances with banks			
- on current accounts	29.50	30.79	1.55
	29.50	30.79	1.55

11 Other current assets

(Unsecured considered good unless otherwise stated)

Advances with public bodies	0.14	0.14	0.14
Current tax assets	60.20	60.13	60.14
Other loans and advances	255.83	255.62	255.94
	316.17	315.89	316.22

12 Share capital

	As at 31 March, 2017		As at 31 March, 2016		As at 1 April, 2015	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Authorised share capital						
Equity shares						
Equity shares of Rs. 10 each	40,500,000	4,050.00	40,500,000	4,050.00	40,500,000	4,050.00
	40,500,000	4,050.00	40,500,000	4,050.00	40,500,000	4,050.00
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	40,250,000	4,025.00
Less: Allotment money in arrears from others		7.75		7.75		7.75
Total	40,250,000	4,017.25	40,250,000	4,017.25	40,250,000	4,017.25



(All amounts in Lacs unless stated otherwise)

a. Movement in share capital

	As at 31 March, 2017		As at 31 March, 2016		As at 1 April, 2015	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Equity share capital						
Balance as at the beginning of the year	40,250,000	4,017.25	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	40,250,000	4,017.25	40,250,000	4,017.25	40,250,000	4,017.25

b. Terms and rights

Terms and rights 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, 2017		As at 31 March, 2016		As at 1 April, 2015	
	No of shares	% holding	No of shares	% holding	No of shares	% holding
Equity shares of Rs. 10 each fully paid						
Surendra Ambalal Dave, Trustee of Escorts Benefit and Welfare Trust	23,497,478	58.38%	23,497,478	58.38%	23,497,478	58.38%
Escorts Limited	3,819,700	9.49%	3,819,700	9.49%	3,819,700	9.49%

13 Retained earnings

	As at 31 March, 2017	As at 31 March, 2016	As at 1 April, 2015
Securities Premium Account	2,643.83	2,643.83	2,643.83
Special Reserve			
Balance at beginning of the year	1,115.00	1,107.72	1,107.72
Add: Transfer during the year	-	7.28	-
Balance at the end of the year	1,115.00	1,115.00	1,107.72
General Reserve	31.46	31.46	31.46
Profit & Loss Account			
Balance at beginning of the year	(25,522.16)	(25,551.30)	(25,542.62)
Add: Profit/(Loss) for the year	(5.82)	36.42	(8.68)
Less : Transfer to Special Reserve	-	(7.28)	-
Balance at the end of the year	(25,527.98)	(25,522.16)	(25,551.30)
Balance at the end of the year	(21,737.69)	(21,731.87)	(21,768.29)

14 Borrowings

Non-current

Preference shares

95,00,000 10% Redeemable Cumulative Preference Shares of Rs. 10 each (31 March, 2016: 95,00,000; 1 April, 2015: 95,00,000)	950.00	950.00	950.00
Less: Current maturity of 10% Redeemable Cumulative Preference Shares transferred to current liabilities	950.00	-	-
	-	950.00	950.00

Note: 10% Redeemable Cumulative Preference Share redeemable on 27 June, 2017.

Current

Current maturity of 10% Redeemable Cumulative Preference Shares transferred to current liabilities	950.00	-	-
	950.00	-	-



(All amounts in Lacs unless stated otherwise)

15 Other Financial Liability

	As at 31 March, 2017	As at 31 March, 2016	As at 1 April, 2015
Non-current			
a. FD Redemption through Court approved arrangements (also refer Note No 27)	14,729.89	14,584.01	14,506.23
	14,729.89	14,584.01	14,506.23
Current			
a. Matured / Unclaimed fixed deposits and interest thereon	1,132.57	1,278.78	1,357.40
b. Other payable	1,553.46	1,553.06	1,556.75
	2,686.03	2,831.84	2,914.15

16 Provisions

Non-current

Provision for employee benefits

a. Provision for gratuity	2.76	2.45	2.13
	2.76	2.45	2.13

Current

Provision for employee benefits

a. Provision for compensated absences	0.70	0.67	0.64
	0.70	0.67	0.64

17 Current tax liabilities

Provision for tax	188.54	188.54	188.54
	188.54	188.54	188.54

18 Other current liabilities

Current

a. Other liabilities	2.41	2.04	2.45
	2.41	2.04	2.45

Notes:

- i. As at 31 March 2017, 31 March, 2016 and 1 April, 2015 there are no outstanding dues to micro and small enterprises. There are no interest due or outstanding on the same.

19 Revenue from operations

	For the year ended 31 March, 2017	For the year ended 31 March, 2016
Other operating revenue		
a. Bad Debts Recovered	1.27	5.83
b. Overdue Interest	1.84	10.89
c. Provisions for doubtful debts/ advances written back	26.70	59.47
	29.81	76.19

20 Other income

a. Interest income	0.56	0.20
b. Other income	0.10	0.08
	0.66	0.28



(All amounts in Lacs unless stated otherwise)

21 Employee benefits expense

	For the year ended 31 March, 2017	For the year ended 31 March, 2016
a. Salary, wages and bonus	11.40	11.36
b. Contribution to provident and other funds	0.47	0.44
c. Staff welfare expenses	0.20	0.20
	12.07	12.00

22 Depreciation and amortisation expense

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

23 Finance cost

a. Bank Charges	-	0.01
	-	0.01

24 Other expenses

a. Rates and taxes	0.08	0.89
b. Legal and professional	7.31	9.25
c. Repair and maintenance - others	0.43	0.39
d. Printing & Stationary	0.32	0.27
e. Travelling and conveyance	0.76	0.48
f. Advertisement & Publicity	0.87	0.85
g. Postage & Telephone	0.49	0.63
h. Payments to auditors (see Note 'A' below))	2.71	2.61
i. Director's Sitting Fees	0.54	0.54
j. Bad debts w/o	50.21	
Less: Provision for Doubtful Debtors	<u>(50.21)</u>	-
k. AGM Expenses	4.89	4.13
l. Fee & Subscription	4.59	3.98
m. Claim / Compensation paid	0.07	2.41
n. Miscellaneous expenses	1.16	1.61
	24.22	28.04

Note:

A. Payments to auditors		
(i) Audit Fees	1.77	1.67
(ii) Other Services	0.94	0.94
	2.71	2.61

25 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, 2016: Rs. Nil and 1 April, 2015: Rs. Nil).
- b. The Company has other commitments, for purchase of goods and services and employee benefits, in normal course of business. The Company does not have any long term commitments/contracts including derivative contracts for which there will be any material foreseeable losses.
- c. Contingent liabilities
 - (i) Sales tax demands against the Company not acknowledged as debt and not provided for in respect of which the Company is in appeal is Rs. 2.93 lacs (Previous Year Rs.2.93 lacs).
 - (ii) Claims/demands under litigation against the Company not acknowledged as debt and not provided for in the books. Amount is presently not ascertainable.
 - (iii) Preference Share dividend amounting to Rs. 1710 lacs (Previous Year Rs. 1615 lacs) pertaining to 10% Redeemable Cumulative Preference Shares of Rs. 10/- each.



26 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

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.

27 In accordance with the Hon'ble Delhi High Court's Order / direction dated 4 March, 2011, Escorts Benefit Trust (EBT) created by Escorts Limited, repaid matured fixed deposit liability against the claims received till 3 March, 2013. Claims received after the said date have also been entertained and settled after due verification. As at 31 March, 2017, the unpaid/unclaimed matured fixed deposits liability is Rs. 1132.57 lacs (Previous Year Rs. 1278.78 lacs) which are pending to be deposited in the Investor Education & Protection Fund.

28 The Company had accumulated losses at the close of the financial year with its net worth continuing to stand fully eroded. The Company has not carried out any fresh business. However, the Company continues to focus on recovery of delinquent assets through settlement/compromise/legal action etc. Besides the efforts on recovery of loan assets, the possibilities of venturing into newer business areas shall be examined subsequently. The accounts of the Company have been prepared on Going Concern Basis

29 Due to the continued financial constraints faced by the Company, there is considerable delay/ difficulty in collection/ recovery of loans and advances vide Note No. 6. Full provision is held against such loans and advances.

30 Trade receivables amounting to Rs. 716.75 lacs (Previous Year Rs. 793.52 lacs) vide Note No. 8 represent certain cases against which legal actions/ settlements/compromises are in process. However, full provision is held against such receivables.

31 Due to accumulated losses and loss for the year, the Company has not made any provision for interest on cumulative preference shares amounting to Rs. 95.00 lacs as at March 31, 2017.

32 Employee Benefit

The Company has not obtained Actuarial Valuation with regards to Employee's terminal benefits i.e., Gratuity and Leave Encashment as mandated by Ind AS 19 issued by the Institute of Chartered Accountants of India. In view of lesser number of employees on rolls, the Company has made provision for these benefits on actual basis as on the Balance Sheet date.

33 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.

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

35 In opinion of the Board, the loans & advances 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.

36 The Company was registered under section 45-IA of the Reserve Bank of India Act, 1934. The approval for cancellation of its NBFC registration had been received vide letter no. DNBS(NDI)S.3242/MSA/06.05.001/2015-16 dated 6 May, 2016. According, the related provision pertaining to NBFC are not applicable to the Company post RBI order.

37 There are no reconciliation item between total equity as on March 31, 2016 as previously reported under GAAP and as per Ind AS.

38 Reconciliation of financial results to those reported under previous Generally Accepted Accounting Principles (GAAP) are summarised as follows.

Particulars	Year ended 31 March, 2016
Profit after tax as reported under previous GAAP	36.42
Adjustments	-
Profit after tax as reported under Ind AS	36.42
Other comprehensive income (net of tax)	-
Total comprehensive income as reported under Ind AS	36.42



39 Details of Specified Bank Notes (SBN)

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 8 November, 2016	553,500	773	554,273
(+) Amount withdrawn from bank	-	50,000	50,000
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	44,094	44,094
(-) Amount deposited in Banks	553,500	-	553,500
Closing cash in hand as on 30 December, 2016	-	6,679	6,679

For the purposes of this note, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8 November, 2016.

40 Related party disclosures

(a) Parties with whom control exists:

Escorts Limited
Suresh Ambalal Dave, Trustee of Escorts Benefit & Welfare Trust

(b) Joint Venture and Associates

Escorts Assets Management Limited

(c) Key Managerial Personnel

Mr. P.K. Marwah	Manager (ceased to be Manager w.e.f 10 October, 2016)
Mr. Donald Fernandez	Chief Financial Officer
Mr. Vicky Chauhan	Company Secretary

41 Related party transactions

Investment in shares of Escorts Assets Management Limited as on 31 March, 2017 is Rs. 489.93 lacs (as on 31 March, 2016 Rs. 489.93 lacs) Salary paid to Mr. Donald Fernandez of Rs. 6.24 lacs (Previous year: Rs. 5.89 lacs).

42 Segment information

The Company is engaged primarily in the business of financing (limited to recovery of loan assets) and accordingly there are no separate reportable segments hence the reporting requirements for segment disclosure as prescribed by Ind AS 108 are not applicable.

43 Earning per share

Particulars	31 March, 2017	31 March, 2016
Net profit attributable to the shareholders (Rs. in Lacs)	(5.82)	36.42
Weighted average number of outstanding equity shares during the year	40172500	40172500
Basic earning per share (in Rupees)	40172500	40172500
Diluted earning per share (in Rupees)	(0.01)	0.09

44 Events after the reporting period

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

45 Approval of the financial statements

The financial statements were approved for issue by Board of Directors on 24 May, 2017.

In terms of our report attached

For N.M. Raiji & Co.

Chartered Accountants
Firm's Registration No. 108296W

For and on behalf of the Board of Directors

CA S N Shivakumar

Partner
Membership No. 088113

Pritam Narang

Whole Time Director
DIN: 00982418

Rochak Puri

Director
DIN: 00042536

Vicky Chauhan

Company Secretary
M. No.: A27279

Donald Fernandez

Chief Financial Officer
PAN AAAPF9140N

Place: Faridabad
Date: 24 May, 2017



TO THE MEMBERS OF ESCORTS FINANCE LIMITED

1. Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **ESCORTS FINANCE LIMITED** (hereinafter referred to as "the Holding Company") and its associate, comprising the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

2. Management's Responsibility for the Consolidated Financial Statements

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

3. Auditor's Responsibility

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

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

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

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

4. Basis of Qualified Opinion

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

- (i) Note No. 27, regarding unpaid/ unclaimed matured Fixed Deposit Liability aggregating to Rs.1132.57 lacs as on balance sheet date;**
- (ii) Note No. 31, regarding non-provision towards interest on cumulative preference shares amounting to Rs. 95.00 lacs for the year; and**
- (iii) Note No. 32, regarding non-determination of Employee Terminal Benefits on actuarial basis. In the absence of the same, the impact thereof on the profit and liabilities of the Company cannot be ascertained.**



5. Opinion

In our opinion and to the best of our information and according to the explanations given to us, **except for the effect of the matter described in sub-paragraph (i), (ii) and (iii) under the Basis for Qualified Opinion above**, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Holding Company and its associate as at March 31, 2017, and its consolidated loss and its consolidated cash flows for the year ended on that date.

6. Emphasis of Matters

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

- (i) the Company had accumulated losses at the close of the financial year with its net worth continuing to stand fully eroded and the financial statements have been prepared on going concern basis for reasons explained by the management, including the possibilities of venturing into newer business areas. We have relied on the representation made to us by the management.
- (ii) the Company was registered under section 45-IA of the Reserve Bank of India Act, 1934. The approval for cancellation of its NBFC registration had been received vide letter no. DNBS(NDI)S.3242/MSA/06.05.001/2015-16 dated May 6, 2016. Accordingly, the related provisions pertaining to NBFC will no longer be applicable to the Company post receipt of the RBI order.

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

7. Other Matters

The consolidated financial statements include the Holding Company's share of net loss of Rs. 49.23 lacs for the year ended March 31, 2017, as considered in the consolidated financial statements, in respect of one associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate, is based solely on the reports of the other auditors.

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

8. Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) **except for the effect of the matter described in sub-paragraph (i), (ii) and (iii) under the Basis for Qualified Opinion above**, in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) The matter described in sub-paragraph (a) under the Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on functioning of the Holding Company.
- (f) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and reports of the statutory auditors of its associate company incorporated in India, none of the directors of the Holding Company and its associate company incorporated in India are disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (g) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Holding Company and associate company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding Company's and associate companies' incorporated in India internal financial controls over financial reporting.



- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Holding Company has made disclosure regarding pending litigations in its consolidated financial statements as referred in Note No. 25(c) to the consolidated financial statements including claim against the Holding Company for which amount is presently not ascertainable;
 - ii. The Holding Company and its associate did not have any foreseeable losses on long term contracts and had no derivative contracts outstanding as at March 31, 2017;
 - iii. The Holding Company has not deposited amounts to the Investor Education and Protection Fund against unpaid fixed deposit liabilities including interest thereon as referred to in Note No. 27 to the consolidated financial statements; and
 - iv. The Holding Company has provided requisite disclosures in the consolidated financial statements (Refer Note No. 39) as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016.

For N. M. Raiji and Co.

Chartered Accountants

ICAI Firm Registration number: 108296W

Sd/-

CA. S. N. Shivakumar

Partner

Membership No. 088113

Place: Faridabad
Date: 24 May, 2017

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in Paragraph 7(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of **ESCORTS FINANCE LIMITED** (hereinafter referred to as "the Holding Company"), and its associate company, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Boards of Directors of the Holding Company and its associate company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") 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 the respective 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 Companies Act, 2013.

Auditor's 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 issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls.



Because of the matter described in the Disclaimer of Opinion paragraph below, we were unable to obtain sufficient appropriate audit evidences to provide a basis for an audit opinion on internal financial controls system over financial reporting of the Holding company.

In relation to an associate company, although the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis of opinion on associate company. The Disclaimer of Opinion for consolidated Report on the Internal Financial Controls over Financial Reporting has been arrived based on the Disclaimer of Opinion in Holding Company.

Meaning of Internal Financial Controls Over Financial Reporting

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

Disclaimer of Opinion

According to information and explanations given to us, the Company has not established its internal financial controls over financial reporting on criteria based on or 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. Because of this reason, we are unable to obtain sufficient appropriate evidence to provide a basis for our opinion whether the Company had adequate internal financial controls over financial reporting, and whether such internal financial controls were operating effectively as at March 31, 2017.

We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated financial statements of the company and the disclaimer does not affect our opinion on the consolidated financial statements of the Company.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to one associate company, which is incorporated in India, is based on the corresponding report of the auditors of such company incorporated in India.

For N. M. Raiji and Co.

Chartered Accountants

ICAI Firm Registration number: 108296W

Sd/-

CA. S. N. Shivakumar

Partner

Membership No. 088113

Place: Faridabad

Date: 24 May, 2017

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2017



(All amounts in Lacs unless stated otherwise)

Particulars	Note No.	As at 31 March, 2017	As at 31 March, 2016	As at 1 April, 2015
Assets				
1 Non-current assets				
a. Property, plant and equipment	3	0.11	0.11	0.11
b. Other intangible assets	4	0.09	0.09	0.09
c. Financial assets				
i. Investments	5	324.74	373.97	399.67
ii. Other financial assets	6	-	-	-
		<u>324.94</u>	<u>374.17</u>	<u>399.87</u>
2 Current assets				
a. Inventories	7	0.01	0.01	0.01
b. Financial assets				
i. Investments	5	0.01	0.01	0.01
ii. Trade receivables	8	-	-	-
iii. Cash and cash equivalents	9	0.24	3.75	1.00
iv. Bank balance other than (iii) above	10	29.50	30.79	1.55
v. Other financial assets	6	3.83	4.35	4.18
c. Other current assets	11	316.17	315.89	316.22
		<u>349.76</u>	<u>354.80</u>	<u>322.97</u>
Total assets		<u>674.70</u>	<u>728.97</u>	<u>722.84</u>
Equity and liabilities				
1 Equity				
a. Equity share capital	12	4,017.25	4,017.25	4,017.25
b. Other equity				
i. Retained earnings	13	(21,902.88)	(21,847.83)	(21,858.55)
Total equity		<u>(17,885.63)</u>	<u>(17,830.58)</u>	<u>(17,841.30)</u>
2 Liabilities				
Non-current liabilities				
a. Financial liabilities				
i. Borrowings	14	-	950.00	950.00
ii. Other financial liabilities	15	14,729.89	14,584.01	14,506.23
b. Provisions	16	2.76	2.45	2.13
		<u>14,732.65</u>	<u>15,536.46</u>	<u>15,458.36</u>
Current liabilities				
a. Financial liabilities				
i. Borrowings	14	950.00	-	-
ii. Other financial liabilities	15	2,686.03	2,831.84	2,914.15
b. Provisions	16	0.70	0.67	0.64
c. Current tax liabilities	17	188.54	188.54	188.54
d. Other current liabilities	18	2.41	2.04	2.45
		<u>3,827.68</u>	<u>3,023.09</u>	<u>3,105.78</u>
Total liabilities		<u>18,560.33</u>	<u>18,559.55</u>	<u>18,564.14</u>
Total equity and liabilities		<u>674.70</u>	<u>728.97</u>	<u>722.84</u>

See accompanying notes to the financial statements

In terms of our report attached

For N.M. Rajji & Co.

Chartered Accountants

Firm's Registration No. 108296W

CA S N Shivakumar

Partner

Membership No. 088113

For and on behalf of the Board of Directors

Pritam Narang

Whole Time Director

DIN: 00982418

Rochak Puri

Director

DIN: 00042536

Vicky Chauhan

Company Secretary

M. No.: A27729

Donald Fernandez

Chief Financial Officer

PAN AAAPF9140N

Place: Faridabad

Date: 24 May, 2017

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2017


(All amounts in Lacs unless stated otherwise)

Particulars	Note No.	For the year ended 31 March, 2017	For the year ended 31 March, 2016
I Revenue from operations	19	29.81	76.19
II Other income	20	0.66	0.28
III Total income		30.47	76.47
IV Expenses			
Employee benefits expense	21	12.07	12.00
Depreciation and amortisation expense	22	-	-
Finance cost	23	-	0.01
Other expenses	24	24.22	28.04
Total expenses (IV)		36.29	40.05
V Profit/(Loss) before share of loss of an associates and tax (III-IV)		(5.82)	36.42
VI Share of Loss of an Associates		(49.23)	(25.70)
VII Profit/(Loss) before tax (V-VI)		(55.05)	10.72
VIII Tax expense	33		
Current tax		-	-
Deferred tax credit		-	-
		-	-
IX Profit/(Loss) for the year (VII-VIII)		(55.05)	10.72
X Other comprehensive income		-	-
XI Total comprehensive income for the year (VII+VIII)		(55.05)	10.72
XII Earning per equity share			
Equity shares of face value Rs. 10 each			
Basic	44	(0.14)	0.03
Diluted	44	(0.14)	0.03

See accompanying notes to the financial statements

In terms of our report attached

For N.M. Rajji & Co.
Chartered Accountants
Firm's Registration No. 108296W

For and on behalf of the Board of Directors

CA S N Shivakumar
Partner
Membership No. 088113

Pritam Narang
Whole Time Director
DIN: 00982418

Rochak Puri
Director
DIN: 00042536

Place: Faridabad
Date: 24 May, 2017

Vicky Chauhan
Company Secretary
M. No.: A27729

Donald Fernandez
Chief Financial Officer
PAN AAAPF9140N

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2017



(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		
Balance as at 1 April, 2015	40,250,000	4,017.25
Issue of equity share capital	-	-
Balance as at 31 March, 2016	40,250,000	4,017.25
Issue of equity share capital	-	-
Balance as at 31 March, 2017	40,250,000	4,017.25

B. Other equity

Particulars	Retained earnings	Total
Balance as at 1 April, 2015	(21,858.55)	(21,858.55)
Profit for the year	10.72	10.72
Other comprehensive income for the year, net of income tax	-	-
Balance as at 31 March, 2016	(21,847.83)	(21,731.87)
Profit for the year	(55.05)	(55.05)
Other comprehensive income for the year, net of income tax	-	-
Balance as at 31 March, 2017	(21,902.88)	(21,737.69)

See accompanying notes to the financial statements

In terms of our report attached

For N.M. Rajji & Co.
Chartered Accountants
Firm's Registration No. 108296W

For and on behalf of the Board of Directors

CA S N Shivakumar
Partner
Membership No. 088113

Pritam Narang
Whole Time Director
DIN: 00982418

Rochak Puri
Director
DIN: 00042536

Place: Faridabad
Date: 24 May, 2017

Vicky Chauhan
Company Secretary
M. No.: A27729

Donald Fernandez
Chief Financial Officer
PAN AAAPF9140N

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH, 2017


(All amounts in Lacs unless stated otherwise)

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
A. Cash flow from operating activities		
Profit/(loss) before share of loss of an associate	(5.82)	36.42
Adjustments for :		
Income tax expense recognised in profit or loss	-	-
Depreciation of plant, property and equipment	-	-
Excess provision written back	(26.70)	(53.47)
Provision for Gratuity & Leave Encashment	0.34	0.35
Finance cost	-	0.01
	<u>(32.18)</u>	<u>(16.69)</u>
Changes in assets and liabilities		
(Increase)/decrease in other financial assets	0.52	(0.17)
(Increase)/decrease in trade receivables	26.70	53.47
(Increase)/decrease in other assets	(0.28)	0.33
Increase/(decrease) in trade payable	-	-
Increase/(decrease) in current tax liabilities (net)	-	-
Increase/(decrease) in other liabilities	146.65	73.68
Cash generated from operating activities	141.41	110.62
Financial Expenses	-	(0.01)
Net cash generated from operating activities	141.41	110.61
B. Cash Flow from Investing Activities		
Purchase of property, plant and equipment	-	-
Investment made	-	-
Net cash generated from/(used in) investing activities	-	-
C. Cash flows from financing activities		
Increase/(Decrease) in Fixed Deposits	(146.21)	(78.62)
Net cash generated from/(used in) financing activities	(146.21)	(78.62)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(4.80)	31.99
Cash and cash equivalents at the beginning of year	34.54	2.55
Cash and cash equivalents at the end of year	29.74	34.54

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

In terms of our report attached

For N.M. Raiji & Co.
Chartered Accountants
Firm's Registration No. 108296W

For and on behalf of the Board of Directors

CA S N Shivakumar
Partner
Membership No. 088113

Pritam Narang
Whole Time Director
DIN: 00982418

Rochak Puri
Director
DIN: 00042536

Place: Faridabad
Date: 24 May, 2017

Vicky Chauhan
Company Secretary
M. No.: A27729

Donald Fernandez
Chief Financial Officer
PAN AAAPF9140N



1 Corporate Information

Escorts Finance Limited "the Company" is a public company incorporated under Indian Companies Act, 1956 having its registered office at Chandigarh. The Company is a listed company at Bombay Stock Exchange.

The registered office of the Company is located at SCO 198-200, Second Floor, Sector-34A, Chandigarh, India. The Company's CIN is - L65910CH1987PLC033652.

The consolidated financial statements as at 31 March, 2017 present the financial position of the group as well as its interests in associate companies.

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

Name of Company	Ownership in %		Country of Incorporation
	As at 31 March, 2017	As at 31 March, 2016	
Associates			
Escorts Assets Management Limited	48.993%	48.993%	India

2 Significant Accounting Policies :

2.01 Basis for Preparation

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards ("Ind AS"), notified under the Companies (Indian Accounting Standards) Rules, 2015, with effect from 1 April, 2016.

The transition from the previous GAAP (i.e., I GAAP) to Ind AS has been accounted for, in accordance with Ind AS 101 "First Time Adoption of Indian Accounting Standards", with 1 April, 2015, as the transition date.

The consolidated financial statements have been prepared under the historical cost convention, with the exception of certain assets and liabilities that are required to be carried at fair values by Ind-AS.

These consolidated financial statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013.

2.02 Use of estimates and critical accounting judgments

In preparation of the consolidated financial statements, the Company makes judgments, estimates and assumptions about the carrying amounts of assets and liabilities. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Significant judgments and estimates relating to the carrying amounts of assets and liabilities include useful lives of tangible and intangible assets, impairment of tangible assets and intangible assets, provision for employee benefits and other provisions, recoverability of deferred tax assets and commitments and contingencies.

2.03 Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company, i.e. its subsidiaries. They also include the Group's share of profits, net assets and retained post acquisition reserves of associates that are consolidated using the equity method of consolidation.

Control is achieved when the Company is exposed to, or has rights to the variable returns of the equity and the ability to affect those returns through its power over the entity.

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

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

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



2.04 Investment in Associates

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

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

2.05 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.

2.06 Foreign currencies

The functional currency of the Company is Indian rupee.

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

2.07 Employee benefits

a) Defined benefit plans

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

b) Defined contribution plans

Employee benefits in the form of Provident Fund are considered as defined contributions Plan. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

c) Compensated absences

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

2.08 Taxation

Tax expense for the year comprises current and deferred tax.

a) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of profit and loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates and tax laws enacted in the country.

b) Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences. In contrast, deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

**c) Current and deferred tax for the year**

Current and deferred tax are recognised as an expense or income in the consolidated statement of profit and loss, except when they relate to items credited or debited either in other comprehensive income or directly in equity, in which case the tax is also recognised in other comprehensive income or directly in equity.

2.09 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.

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

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

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

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

2.10 Intangible assets

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

2.11 Inventories

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

2.12 Provisions

Provisions are recognised in the consolidated balance sheet when the Company has a present obligation (legal or constructive) as a result of a past event, which is expected to result in an outflow of resources embodying economic benefits which can be reliably estimated. Each provision is based on the best estimate of the expenditure required to settle the present obligation at the balance sheet date.

Constructive obligation is an obligation that derives from an entity's actions where:

- (a) by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities; and
- (b) As a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

2.13 Financial Instruments

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.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

**A. Financial Assets****a. Financial assets carried at amortised cost**

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

b. Financial assets at fair value through other comprehensive income

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

c. Financial assets at fair value through profit or loss

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

d. Impairment of financial assets

Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and fair value through other comprehensive income. Loss allowance equal to the lifetime expected credit losses is recognised if the credit risk on the financial instruments has significantly increased since initial recognition. For financial instruments whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognised.

e. Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the assets and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing of the proceeds received.

B. Financial liabilities and equity instruments**Classification as debt or equity**

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial Liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method.

Interest-bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Company's accounting policy for borrowing costs.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.



(All amounts in Lacs unless stated otherwise)

3 Property, plant and equipment

	Computers	Office equipment	Furniture and fixtures	Total
Cost or deemed cost				
Balance as at 1 April, 2015	-	22.18	1.37	23.55
Additions	-	-	-	-
Disposals	-	7.67	-	7.67
Balance as at 31 March, 2016	-	14.51	1.37	15.88
Additions/Adjustments	-	-	-	-
Disposals	-	-	-	-
Balance as at 31 March, 2017	-	14.51	1.37	15.88
Accumulated depreciation				
Balance as at 1 April, 2015	-	22.09	1.35	23.44
Depreciation expense	-	-	-	-
Elimination on disposals of assets	-	7.67	-	7.67
Balance as at 31 March, 2016	-	14.42	1.35	15.77
Depreciation expense	-	-	-	-
Elimination on disposals of assets	-	-	-	-
Balance as at 31 March, 2017	-	14.42	1.35	15.77
Net carrying amount				
Balance as at 1 April, 2015	-	0.09	0.02	0.11
Balance as at 31 March, 2016	-	0.09	0.02	0.11
Balance as at 31 March, 2017	-	0.09	0.02	0.11

4 Other intangible assets

	Computer software	Total
Cost or deemed cost		
Balance as at 1 April, 2015	0.53	0.53
Additions	-	-
Disposals	-	-
Balance as at 31 March, 2016	0.53	0.53
Additions	-	-
Disposals	-	-
Balance as at 31 March, 2017	0.53	0.53
Accumulated amortisation		
Balance as at 1 April, 2015	0.44	0.44
Amortisation expense	-	-
Disposals	-	-
Balance as at 31 March, 2016	0.44	0.44
Amortisation expense	-	-
Disposals	-	-
Balance as at 31 March, 2017	0.44	0.44
Net carrying amount		
At 1 April, 2015	0.09	0.09
At 31 March, 2016	0.09	0.09
Balance as at 31 March, 2017	0.09	0.09



(All amounts in Lacs unless stated otherwise)

5 Investments

	As at 31 March, 2017	As at 31 March, 2016	As at 1 April, 2015
Non-current			
Investments in equity instruments (fully paid)			
Unquoted (Non-Trade Investments) 48,99,300 Equity Shares of ESCORTS ASSETS MANAGEMENT LIMITED (31 March, 2016: 48,99,300; 1 April, 2015: 48,99,300)	489.93	489.93	489.93
Add: Share of post acquisition reserve and surplus	(165.19)	(115.96)	(90.26)
	<u>324.74</u>	<u>373.97</u>	<u>399.67</u>
Current			
Investments in equity instruments (fully paid)			
Unquoted (Non-Trade Investments) 100 Equity Shares of Rs.10/- each of ESCORTS INVESTMENT TRUST LIMITED (31 March, 2016: 100; 1 April, 2015: 100)	0.01	0.01	0.01
Unquoted (Trade Investments) 1,90,000 Equity Shares of Rs.10/- each of ESCORT CONSUMER CREDIT LIMITED (31 March, 2016: 1,90,000; 1 April, 2015: 1,90,000)	0.02	0.02	0.02
92,485 Equity Shares of Rs.10/- each of G R SOLVENTS & ALLIED INDUSTRIES LIMITED (31 March, 2016: 92,485; 1 April, 2015: 92,485)	7.40	7.40	7.40
	<u>7.43</u>	<u>7.43</u>	<u>7.43</u>
Less: Provision for Diminution in Value of Trade Investments	7.42	7.42	7.42
	<u>0.01</u>	<u>0.01</u>	<u>0.01</u>
Total	<u>324.75</u>	<u>373.98</u>	<u>399.68</u>
Current	0.01	0.01	0.01
Non-current	324.74	373.97	399.66
Total	<u>324.75</u>	<u>373.98</u>	<u>399.68</u>

6 Other financial assets

Non-current			
Loans and Advances (unsecured; considered doubtful)	1,357.43	1,357.57	1,363.57
Less: Provision for bad & doubtful loan & advances	1,357.43	1,357.57	1,363.57
	<u>-</u>	<u>-</u>	<u>-</u>
Current			
Security deposits	3.73	4.29	4.15
Accrued interest	0.10	0.06	0.03
	<u>3.83</u>	<u>4.35</u>	<u>4.18</u>

7 Inventories

Stock of Repossessed Assets (As certified by the Management)	0.01	0.01	0.01
	<u>0.01</u>	<u>0.01</u>	<u>0.01</u>



(All amounts in Lacs unless stated otherwise)

8 Trade receivables

	As at 31 March, 2017	As at 31 March, 2016	As at 1 April, 2015
Unsecured			
i. Considered good	-	-	-
ii. Considered doubtful	716.75	793.52	846.99
	716.75	793.52	846.99
Less: Provision for bad and doubtful trade receivables	716.75	793.52	846.99
	-	-	-

Note:

Receivable from related parties	-	-	-
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9 Cash and cash equivalents

Cash on hand	0.24	3.75	1.00
Deposits with original maturity of less than three months	-	-	-
	0.24	3.75	1.00

10 Bank balance

Balances with banks			
- on current accounts	29.50	30.79	1.55
	29.50	30.79	1.55

11 Other current assets

(Unsecured considered good unless otherwise stated)

Advances with public bodies	0.14	0.14	0.14
Current tax assets	60.20	60.13	60.14
Other loans and advances	255.83	255.62	255.94
	316.17	315.89	316.22

12 Share capital

	As at 31 March, 2017		As at 31 March, 2016		As at 1 April, 2015	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Authorised share capital						
Equity shares						
Equity shares of Rs. 10 each	40,500,000	4,050.00	40,500,000	4,050.00	40,500,000	4,050.00
	40,500,000	4,050.00	40,500,000	4,050.00	40,500,000	4,050.00
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	40,250,000	4,025.00
Less: Allotment money in arrears from others		7.75		7.75		7.75
Total	40,250,000	4,017.25	40,250,000	4,017.25	40,250,000	4,017.25



(All amounts in Lacs unless stated otherwise)

a. Movement in share capital

Equity share capital	As at 31 March, 2017		As at 31 March, 2016		As at 1 April, 2015	
	No. of shares	Amount	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	40,250,000	4,017.25
Add: Increase during the year	-	-	-	-	-	-
Balance as at the end of the year	40,250,000	4,017.25	40,250,000	4,017.25	40,250,000	4,017.25

b. Terms and rights

Terms and rights 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, 2017		As at 31 March, 2016		As at 1 April, 2015	
	No of shares	% holding	No of shares	% holding	No of shares	% holding
Equity shares of Rs. 10 each fully paid						
Surendra Ambalal Dave, Trustee of Escorts Benefit and Welfare Trust	23,497,478	58.38%	23,497,478	58.38%	23,497,478	58.38%
Escorts Limited	3,819,700	9.49%	3,819,700	9.49%	3,819,700	9.49%

13 Retained earnings

	As at 31 March, 2017	As at 31 March, 2016	As at 1 April, 2015
Securities Premium Account	2,643.83	2,643.83	2,643.83
Special Reserve			
Balance at beginning of the year	1,115.00	1,107.72	1,107.72
Add: Transfer during the year	-	7.28	-
Balance at the end of the year	1,115.00	1,115.00	1,107.72
General Reserve	30.37	30.37	30.37
Profit & Loss Account			
Balance at beginning of the year	(25,637.03)	(25,640.47)	(25,610.40)
Add: Profit/(Loss) for the year	(55.05)	10.72	(30.07)
Less : Transfer to Special Reserve	-	(7.28)	-
Balance at the end of the year	(25,692.08)	(25,637.03)	(25,640.47)
Balance at the end of the year	(21,902.88)	(21,847.83)	(21,858.55)

14 Borrowings

Non-current

Preference shares

95,00,000 10% Redeemable Cumulative Preference Shares of Rs. 10 each (31 March, 2016: 95,00,000; 1 April, 2015: 95,00,000)	950.00	950.00	950.00
Less: Current maturity of 10% Redeemable Cumulative Preference Shares transferred to current liabilities	950.00	-	-
	-	950.00	950.00

**Note: 10% Redeemable Cumulative Preference
Share redeemable on 27 June, 2017.**

Current

Current maturity of 10% Redeemable Cumulative Preference Shares transferred to current liabilities	950.00	-	-
	950.00	-	-



(All amounts in Lacs unless stated otherwise)

15 Other Financial Liability

	As at 31 March, 2017	As at 31 March, 2016	As at 1 April, 2015
Non-current			
a. FD Redemption through Court approved arrangements (also refer Note No.27)	14,729.89	14,584.01	14,506.23
	14,729.89	14,584.01	14,506.23
Current			
a. Matured / Unclaimed fixed deposits and interest thereon	1,132.57	1,278.78	1,357.40
b. Other payable	1,553.46	1,553.06	1,556.75
	2,686.03	2,831.84	2,914.15

16 Provisions

Non-current

Provision for employee benefits

a. Provision for gratuity	2.76	2.45	2.13
	2.76	2.45	2.13

Current

Provision for employee benefits

a. Provision for compensated absences	0.70	0.67	0.64
	0.70	0.67	0.64

17 Current tax liabilities

Provision for tax	188.54	188.54	188.54
	188.54	188.54	188.54

18 Other current liabilities

Current

a. Other liabilities	2.41	2.04	2.45
	2.41	2.04	2.45

Notes:

- i. As at 31 March, 2017, 31 March, 2016 and 1 April, 2015 there are no outstanding dues to micro and small enterprises. There are no interest due or outstanding on the same.

19 Revenue from operations

	For the year ended 31 March, 2017	For the year ended 31 March, 2016
Other operating revenue		
a. Bad Debts Recovered	1.27	5.83
b. Overdue Interest	1.84	10.89
c. Provisions for doubtful debts/ advances written back	26.70	59.47
	29.81	76.19

20 Other income

a. Interest income	0.56	0.20
b. Other income	0.10	0.08
	0.66	0.28



(All amounts in Lacs unless stated otherwise)

21 Employee benefits expense

	For the year ended 31 March, 2017	For the year ended 31 March, 2016
a. Salary, wages and bonus	11.40	11.36
b. Contribution to provident and other funds	0.47	0.44
c. Staff welfare expenses	0.20	0.20
	12.07	12.00

22 Depreciation and amortisation expense

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

23 Finance cost

a. Bank Charges	-	0.01
	-	0.01

24 Other expenses

a. Rates and taxes	0.08	0.89
b. Legal and professional	7.31	9.25
c. Repair and maintenance - others	0.43	0.39
d. Printing & Stationary	0.32	0.27
e. Travelling and conveyance	0.76	0.48
f. Advertisement & Publicity	0.87	0.85
g. Postage & Telephone	0.49	0.63
h. Payments to auditors (see note 'A' below))	2.71	2.61
i. Director's Sitting Fees	0.54	0.54
j. Bad debts w/o	50.21	
Less: Provision for Doubtful Debtors	<u>(50.21)</u>	-
k. AGM Expenses	4.89	4.13
l. Fee & Subscription	4.59	3.98
m. Claim / Compensation paid	0.07	2.41
n. Miscellaneous expenses	1.16	1.61
	24.22	28.04

Note:

A. Payments to auditors		
(i) Audit Fees	1.77	1.67
(ii) Other Other Services	0.94	0.94
	2.71	2.61

25 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, 2016: Rs. Nil and 1 April, 2015: Rs. Nil).
- b. The Company has other commitments, for purchase of goods and services and employee benefits, in normal course of business. The Company does not have any long term commitments/contracts including derivative contracts for which there will be any material foreseeable losses.
- c. Contingent liabilities
 - (i) Sales tax demands against the Company not acknowledged as debt and not provided for in respect of which the Company is in appeal is Rs. 2.93 lacs (Previous Year Rs.2.93 lacs).
 - (ii) Claims/demands under litigation against the Company not acknowledged as debt and not provided for in the books. Amount is presently not ascertainable.
 - (iii) Preference Share dividend amounting to Rs. 1710 lacs (Previous Year Rs. 1615 lacs) pertaining to 10% Redeemable Cumulative Preference Shares of Rs. 10/- each.



26 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

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.

27 In accordance with the Hon'ble Delhi High Court's Order / direction dated 4 March, 2011, Escorts Benefit Trust (EBT) created by Escorts Limited, repaid matured fixed deposit liability against the claims received till 3 March, 2013. Claims received after the said date have also been entertained and settled after due verification. As at 31 March, 2017, the unpaid/unclaimed matured fixed deposits liability is Rs. 1132.57 lacs (Previous Year Rs. 1278.78 lacs) which are pending to be deposited in the Investor Education & Protection Fund.

28 The Company had accumulated losses at the close of the financial year with its net worth continuing to stand fully eroded. The Company has not carried out any fresh business. However, the Company continues to focus on recovery of delinquent assets through settlement/compromise/legal action etc. Besides the efforts on recovery of loan assets, the possibilities of venturing into newer business areas shall be examined subsequently. The accounts of the Company have been prepared on Going Concern Basis

29 Due to the continued financial constraints faced by the Company, there is considerable delay/ difficulty in collection/ recovery of loans and advances vide Note No. 6. Full provision is held against such loans and advances.

30 Trade receivables amounting to Rs. 716.75 lacs (Previous Year Rs. 793.52 lacs) vide Note No. 8 represent certain cases against which legal actions/ settlements/compromises are in process. However, full provision is held against such receivables.

31 Due to accumulated losses and loss for the year, the Company has not made any provision for interest on cumulative preference shares amounting to Rs. 95.00 lacs as at March 31, 2017.

32 Employee Benefit

The Company has not obtained Actuarial Valuation with regards to Employee's terminal benefits i.e., Gratuity and Leave Encashment as mandated by Ind AS 19 issued by the Institute of Chartered Accountants of India. In view of lesser number of employees on rolls, the Company has made provision for these benefits on actual basis as on the Balance Sheet date.

33 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.

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

35 In opinion of the Board, the loans & advances 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.

36 The Company was registered under section 45-IA of the Reserve Bank of India Act, 1934. The approval for cancellation of its NBFC registration had been received vide letter no. DNBS(NDI)S.3242/MSA/06.05.001/2015-16 dated 6 May, 2016. According, the related provision pertaining to NBFC are not applicable to the Company post RBI order.

37 There are no reconciliation item between total equity as on March 31, 2016 as previously reported under GAAP and as per Ind AS.

38 Reconciliation of financial results to those reported under previous Generally Accepted Accounting Principles (GAAP) are summarised as follows.

Particulars	Year ended 31 March, 2016
Profit after tax as reported under previous GAAP	10.72
Adjustments	-
Profit after tax as reported under Ind AS	10.72
Other comprehensive income (net of tax)	-
Total comprehensive income as reported under Ind AS	10.72


39 Details of Specified Bank Notes (SBN)

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 8 November, 2016	553,500	773	554,273
(+) Amount withdrawn from bank	-	50,000	50,000
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	44,094	44,094
(-) Amount deposited in Banks	553,500	-	553,500
Closing cash in hand as on 30 December, 2016	-	6,679	6,679

For the purposes of this note, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8 November, 2016.

40 Related party disclosures
(a) Parties with whom control exists:

Escorts Limited
Surenbra Ambalal Dave, Trustee of Escorts Benefit & Welfare Trust

(b) Key Managerial Personnel

Mr. P.K. Marwah
Mr. Donald Fernandez
Mr. Vicky Chauhan

Manager (ceased to be Manager w.e.f. 10 October, 2016)
Chief Financial Officer
Company Secretary

41 Related party transactions

Salary paid to Mr. Donald Fernandez of Rs. 6.24 lacs (Previous year : Rs. 5.89 lacs)

42 Segment information

The Company is engaged primarily in the business of financing (limited to recovery of loan assets) and accordingly there are no separate reportable segments hence the reporting requirements for segment disclosure as prescribed by Ind AS 108 are not applicable.

43 Additional Information as per Part II of Schedule III, Companies Act, 2013

(Rs. in Lacs)

Name of the Entity	Net Assets		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit and loss	Amount	As % of consolidated comprehensive income	Amount	As % of total comprehensive income.	Amount
Parent: Escorts Finance Limited	(102%)	(18,210.37)	(10.57%)	(5.82)	0%	0	(10.57%)	(5.82)
Associate: Escorts Assets Management Limited	2%	324.74	(89.43%)	(49.23)	0%	0	(89.43%)	(49.23)
Total		(17,885.63)		(55.05)	0%	0		(55.05)

44 Earning per share

Particulars	31 March, 2017	31 March, 2016
Net profit attributable to the shareholders (Rs. in Lacs)	(55.05)	10.72
Weighted average number of outstanding equity shares during the year	40172500	40172500
Basic earning per share (in Rupees)	40172500	40172500
Diluted earning per share (in Rupees)	(0.14)	0.03



45 Events after the reporting period

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

46 Approval of the financial statements

The financial statements were approved for issue by Board of Directors on 24 May, 2017.

In terms of our report attached

For N.M. Raiji & Co.

Chartered Accountants
Firm's Registration No. 108296W

For and on behalf of the Board of Directors

CA S N Shivakumar

Partner
Membership No. 088113

Pritam Narang

Whole Time Director
DIN: 00982418

Rochak Puri

Director
DIN: 00042536

Place: Faridabad
Date: 24 May, 2017

Vicky Chauhan
Company Secretary
M. No.: A27729

Donald Fernandez
Chief Financial Officer
PAN AAAPF9140N

Form AOC-I

(Pursuant to sub-section (3) of section 129 of the Companies Act, 2013, related to associate and joint ventures)]

Part A : Subsidiaries **NA**

Part B : Associates

S. No.	Name of Associates	Escorts Assets Management Limited
1	Latest audited Balance Sheet Date	31 March, 2017
2	Date on which the associate was associated or acquired	31 March, 2013
3	Share of Associate by the Company on the year end.	
	Number	4,899,300
	Amount of Investment	4,89,93,000
	Extent of Holding (in percentage)	48.99%
4	Description of how there is significant influence	Shareholding
5	Reason why the associate is not consolidated	NA
6	Networth attribute to share holding as per latest audited Balance Sheet	53528632
7	Profit or Loss for the year	(100,47,912)
(i)	Considered in Consolidation	(49,22,774)
(ii)	Not Considered in Consolidation	(51,25,138)

For and on behalf of the Board of Directors

Pritam Narang

Whole Time Director
DIN: 00982418

Rochak Puri

Director
DIN: 00042536

Place: Faridabad
Date: 24 May, 2017

Vicky Chauhan
Company Secretary
M. No.: A27729

Donald Fernandez
Chief Financial Officer
PAN AAAPF9140N



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**

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, 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. _____

BLANK

ATTENDANCE SLIP

(Please fill this attendance slip and hand it over at the entrance of the meeting hall)

**ESCORTS FINANCE LIMITED****Registered Office:**

SCO 198-200, 2nd Floor,

Sector – 34 A,

Chandigarh – 160 022

CIN: L65910CH1987PLC033652I/ We hereby record my/ our presence at the **29th Annual General Meeting** of the Company being held at 3.00 P.M. on **Tuesday, September 26, 2017 at Hotel K C Residency, SCO 377-380, Sector – 35B, Chandigarh – 160 035.**

DP ID	
-------	--

Folio No.	
-----------	--

Client ID	
-----------	--

No. of Shares	
---------------	--

(in demat form)

(in physical form)

Name: _____

Father's/ Husband's Name: _____

Jointly with 1. _____

2. _____

Address _____

Signature of the member(s)/Proxy holder(s)

- Notes: 1. Please fill this Attendance Slip and hand it over at the Registration Counter.
 2. Shareholder/ Proxy Holder/ Authorised Representatives are requested to show their Photo ID proof for attending the meeting.
 3. Authorised Representatives of Corporate members shall produce proper authorisation issued in their favour.
 4. **This Attendance Slip is valid only in case shares are held as on the cut-off date i.e. September 19, 2017.**

----- Tear Here -----

PROXY FORM

(Form No. MGT-11)

{Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014}

ESCORTS FINANCE LIMITED**Registered Office:**

SCO 198-200, 2nd Floor,

Sector – 34 A,

Chandigarh – 160 022

CIN: L65910CH1987PLC033652

DPID	
------	--

Folio No.	
-----------	--

Client ID	
-----------	--

No. of Shares	
---------------	--

(in demat form)

(in physical form)

I/ We _____ being member(s) of Escorts Finance Limited hereby appoint

1.	Name		
	Address	or failing him	
2.	Name		
	Address	or failing him	
3.	Name		
	Address	or failing him	

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the **29th Annual General Meeting (AGM)** of the Company to be held on **Tuesday, September 26, 2017 at 3.00 P.M. at Hotel K C Residency, SCO 377-380, Sector – 35B, Chandigarh – 160 035** and at any adjournment thereof in respect of such resolution(s) as mentioned in the Notice of AGM dated July 25, 2017.

Signed this ____ day of _____ 2017

Signature of member _____

Signature of Proxyholder(s) _____

15 Paise
revenue
stamp**Note: This form of proxy in order to be effective should be duly completed, signed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the AGM.**

SPEED POST / REGD. POST / COURIER

If undelivered, please return to:

The Company Secretary
ESCORTS FINANCE LIMITED
15/5, Mathura Road
Faridabad - 121 003
Haryana