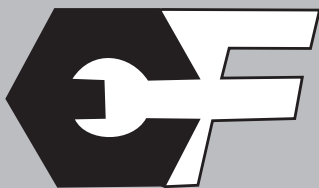




26th

ANNUAL REPORT

2013-2014



**ESCORTS
FINANCE
LIMITED**



COMPANY INFORMATION

Board of Directors

Mr. Inder Mohan Sakhuja, Chairman

Mr. Pritam Narang

Mr. Rochak Puri

Ms. Preeti Chauhan

Manager

Mr. P. K. Marwah

Company Secretary

Mr. Vicky Chauhan

Chief Financial Officer

Mr. Donald Fernandez

Auditors

M/s. N. M. Raiji & Co.

E-7/14, IInd Floor

Vasant Vihar

New Delhi - 110 057

Registered Office

SCO - 198-200, Second Floor

Sector – 34A, Chandigarh – 160 022

CIN: L65910CH1987PLC033652

**NOTICE**

Notice is hereby given that the **Twenty Sixth Annual General Meeting** of Escorts Finance Limited will be held on **Friday, September 26, 2014 at 3.00 P.M.** at Hotel K C Residency, SCO-377-380, Sector – 35B, Chandigarh – 160 035 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2014 and the Statement of Profit and Loss for the year ended on that date and the Reports of Auditors' and Directors' thereon.
2. To appoint a Director in place of Mr. Pritam Narang who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s. N. M. Raiji & Co., Chartered Accountants, (Firm Registration No. 108296W) as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

"Resolved That pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder {including any statutory modification(s) or re-enactment thereof for the time being in force} read with Schedule IV of the Companies Act, 2013, Mr. Rochak Puri (holding DIN 00042536), who was appointed as a Director liable to retire by rotation 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 appointed as an Independent Director of the Company not liable to retire by rotation, to hold office for a period of 3 (three) consecutive years upto conclusion of the 29th Annual General Meeting of the Company to be convened in the calendar year 2017."

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

"Resolved That pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder {including any statutory modification(s) or re-enactment thereof for the time being in force} read with Schedule IV of the Companies Act, 2013, Ms. Preeti Chauhan (holding DIN 06567695), who was appointed as a Director liable to retire by rotation 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 appointed as an Independent Director of the Company not liable to retire by rotation, to hold office for a period of 3 (three) consecutive years upto conclusion of the 29th Annual General Meeting of the Company to be convened in the calendar year 2017."

6. 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 14 and all other applicable provisions of the Companies Act, 2013 and the rules made thereunder {including any statutory modification(s) or re-enactment thereof, for the time being in force}, the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution and to the exclusion of the regulations contained in the existing Articles of Association of the Company.

Resolved Further That the Board of Directors of the Company be and are hereby authorised to do all acts and take all such steps as may be necessary, desirable or expedient to give effect to this resolution."

NOTES:

- 1) **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL ON HIS BEHALF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PROXY MAY BE SENT IN THE ENCLOSED FORM AND IN ORDER TO BE EFFECTIVE MUST REACH THE REGISTERED OFFICE OF THE COMPANY DULY COMPLETED AND SIGNED ATLEAST 48 HOURS BEFORE THE COMMENCEMENT OF THE ANNUAL GENERAL MEETING (AGM).**
- 2) The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, which sets out details relating to Special Business at the AGM, is annexed hereto.
- 3) A copy of Annual Report containing Balance Sheet as at March 31, 2014 and the Statement of Profit & Loss for the year ended on that date together with the Auditors' and Directors' Reports thereon are enclosed. Members are requested to bring their copies of Annual Report at the AGM.



- 4) **Green Initiative:** The Ministry of Corporate Affairs (MCA), Government of India, through its circular no. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively, has allowed companies to send documents to the shareholders electronically as part of its green initiatives.

Recognizing the spirit of the said circular, we are sending documents like the Notice of General Meeting, Financial Statements, Directors' Report, Auditors' Report and other Communication etc., to the email address registered with your Depositories. We request you to update your email address with your Depositories Participants to ensure that the Annual Report and other documents reach you on preferred email address and the shareholders holding shares in physical mode may inform their email address to the Company.

- 5) The Register of Members and Share Transfer Books of the Company will remain closed from September 13, 2014 to September 26, 2014 (both days inclusive).
- 6) Shareholders/ Proxy holders are requested to produce at the entrance attached attendance slip duly completed and signed, for admission to the AGM hall.
- 7) 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
2E/21, Jhandewalan Extension
New Delhi – 110 055
Tel.- +91-11-42541953, 23541234, 42541234
Fax: +91-11-23552001
E-mail id: rta@alankit.com

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

- 8) 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. and Central Depository Services (India) Ltd. for the same. Interested members may opt to convert their physical shares of the Company in electronic mode after sending request for dematerialisation through their Depository Participant.
- 9) 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).
- 10) 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 **Form SH-13** to Alankit RTA. This form is also available on the Company's website www.escortsfinance.com.
- 11) Please send all correspondence including requests for transfer/ transmission of shares and change of address etc. to Alankit RTA.
- 12) 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.
- 13) 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.
- 14) Pursuant to the requirements of the Listing Agreement with the Stock Exchanges on Corporate Governance the information required to be given in case of appointment or re-appointment of Director, is given in the Corporate Governance Report forming part of this Annual Report.
- 15) Electronic copy of the Notice of the 26th Annual General Meeting 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 email 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 email address, physical copies of the Notice is being sent by the permitted mode.
- 16) Members may also note that the Notice of the 26th AGM and the Annual Report for the financial year ended on March 31, 2014 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 and the Explanatory Statement 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 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 email id escortsfinance@escorts.co.in.

17) 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 and the revised Clause 35B of the Listing Agreement, the Company is pleased to offer e-voting facility to its Members in respect of the businesses to be transacted at the 26th AGM. The Company has engaged the services of Central Depository Services (India) Limited ("CDSL") as the Authorised Agency to provide e-voting facilities.
- II. Members are requested to note that the business may be transacted through electronic voting system and the Company is providing facility for voting by electronic means. It is hereby clarified that it is not mandatory for a Member to vote using the e-voting facility. A Member may avail of the facility at his/ her/ its discretion, as per the instructions provided herein:

Instructions of e-voting:-

- A. In case of members receiving e-mail:
 - i. Log on to the e-voting website www.evotingindia.com during evoting period.
 - ii. Click on "Shareholders" tab.
 - iii. Now, select the Electronic Voting Sequence Number – "EVSN" 140826095 along with "Escorts Finance Limited" from the drop down menu and click on "SUBMIT".
 - iv. In case you are already registered with CDSL for e-voting then you can use your existing user ID and password for casting your vote. If you are a first time user follow the steps given below.
 - v. 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
 - vi. Next enter the image Verification as displayed and click on login.
 - vii. 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.
 - viii. 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 their 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 number of shares held by you as on August 22, 2014 in the Bank Details field.

- ix. 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.



- x. For members holding shares in physical form, the details can be used for only e-voting on the resolutions contained in this Notice.
 - xi. Click on the relevant EVSN on which you choose to vote.
 - xii. 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.
 - xiii. Click on the "Resolutions File Link" if you wish to view the entire Resolution(s).
 - xiv. 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.
 - xv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
 - xvi. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
 - xvii. 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.
 - xviii. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> 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.
- III. 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.
- IV. The e-voting period commences on **Saturday, September 20, 2014 (9:00 am IST) and ends on Monday, September 22, 2014 (6:00 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. August 22, 2014**, may cast their vote electronically. The Name of Escorts Finance Limited shall be disabled by CDSL for voting thereafter from their e-voting module.
- V. 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. **August 22, 2014**.
- VI. **Members can opt for only one mode of voting i.e.** either by e-voting or physically at the AGM venue. In case you are opting for 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.
- VII. Mr. Jayant Gupta, Practising Company Secretary has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- VIII. 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 Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- IX. The Results shall be declared on or after the AGM of the Company. 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.co.in within 2 (two) working days of passing of the resolution(s) at the AGM and shall be communicated to Stock Exchange i.e. BSE Limited.
- 18) 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: August 12, 2014

Sd/-
Vicky Chauhan
Company Secretary



EXPLANATORY STATEMENT IN RESPECT OF SPECIAL BUSINESS (PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013)

ITEM NO. 4 & 5

Mr. Rochak Puri and Ms. Preeti Chauhan are Non-Executive Independent Directors on the Board of the Company whose period of office is liable to determination by retirement by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013 and rules made thereunder, Mr. Puri and Ms. Chauhan being eligible have offered themselves for re-appointment. It is proposed to appoint Mr. Puri and Ms. Chauhan as Independent Directors for a period of 3 (three) consecutive years upto the conclusion of the 29th Annual General Meeting of the Company to be convened in the calendar year 2017.

Notices in writing pursuant to Section 160 of the Companies Act, 2013, proposing their candidature as Independent Directors of your Company, have been received.

In the opinion of the Board, Mr. Puri and Ms. Chauhan fulfil the conditions specified in the Companies Act, 2013 and rules made thereunder for their appointment as Independent Directors of the Company. Copy of the draft letter for appointment of Mr. Puri and Ms. Chauhan as Independent Directors would be available for inspection by the members without any fee at the Registered Office of the Company during normal business hours on any working day.

The Board considers that it is desirable to continue to avail services of Mr. Puri and Ms. Chauhan as Independent Directors.

Particulars of their qualifications, brief resume and area of expertise etc. are included in Corporate Governance Report annexed to the Directors' Report.

Except Mr. Puri and Ms. 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. 4 & 5.

The Board commends the resolutions for approval of the members.

ITEM NO. 6

The existing Articles of Association (AOA) are based on the Companies Act, 1956 wherein several regulations in the existing AOA contain references to specific Sections of the Companies Act, 1956 and certain regulations in the existing AOA are no longer in conformity with the Companies Act, 2013 (the "Act").

The Act is now largely in force with the Ministry of Corporate Affairs ("MCA") notifying 98 Sections for implementation on September 12, 2013. Subsequently, on March 26, 2014, MCA notified most of the remaining Sections (barring those provisions which require sanction/ confirmation of the National Company Law Tribunal ("Tribunal") such as variation of rights of holders of different classes of shares (Section 48), reduction of share capital (Section 66), compromises, arrangements and amalgamations (Chapter XV), prevention of oppression and mismanagement (Chapter XVI), revival and rehabilitation of sick companies (Chapter XIX), winding up (Chapter XX) and certain other provisions including, inter alia, relating to Investor Education and Protection Fund (Section 125) and valuation by registered valuers (Section 247). However, substantive Sections of the Act which deal with the general working of companies stand notified.

With the coming into force of the Act several regulations of the existing AOA of the Company require alteration or deletions. It is accordingly considered expedient to modify the existing AOA by a new set of Articles.

The new AOA to be substituted in place of the existing AOA is based on Table 'F' of the Act which sets out the model Articles of Association for a Company Limited by Shares.

The proposed new draft AOA is being uploaded on the Company's website for perusal of the shareholders.

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. 6.

The Board commends the Resolution for approval of the members.

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

**Place: Faridabad
Dated: August 12, 2014**

Sd/-
**Vicky Chauhan
Company Secretary**



Your Directors are pleased to present the Twenty Sixth Annual Report, together with the Audited Accounts of the Company for the financial year ended March 31, 2014 and the Auditors' Report thereon.

Financial Results

(Rs. In Lacs)

Particulars	Financial Year ended March 31, 2014	Financial Year ended March 31, 2013
Gross Income	73.07	47.48
Profit/ (Loss) before write off, provisions & tax	12.56	(57.27)
Tax adjustment for earlier years	-	-
Profit/ (Loss) after Tax	12.56	(57.27)

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

Dividend

In order to conserve the resources of the Company, no dividend has been considered for the year.

Public Deposits

An amount of Rs. 141.35 Lacs has been paid to the Fixed Deposit holders during the financial year ended March 31, 2014. As on the said date, there is an unclaimed/ unpaid fixed deposit liability of Rs. 1,606.08 Lacs.

Management Discussion and Analysis

(i) Industry Structure and Development

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 regional 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.

(ii) Opportunities and Threats

The NBFCs are facing stiff competition from Banks and Financial Institutions (FII), due to the ability of Banks & FII's to raise low cost funds 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 had 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

As the substantial liability towards outstanding fixed deposit stands liquidated under the Scheme of Arrangement and Compromise filed before the Hon'ble Delhi High Court and for the balance liability funds have been earmarked and kept aside in a Trust as per the earlier direction of Hon'ble Court, the Company would now look into the possibility of the expansion of existing businesses and entry into new areas would also be considered.

Your Company sees opportunities in these business areas based on the expected growth rate of the economy and in particular the confirmed growth rate in the construction, infrastructure and agricultural areas which are your Company's areas of competence and involvement.

(v) Risks and Concerns

High interest regime in the economy may act as a dampener in the business of financing. There is also stiff competition with entry of larger 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 profit for the year after write offs/ provisions etc. and tax amounts to Rs. 12.56 Lacs. The total accumulated losses at the end of the financial year 2013-14 amounted to Rs. 25,542.62 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.

Pursuant to the provisions of Section 149 of the Companies Act, 2013, your Directors are seeking appointment of Mr. Rochak Puri and Ms. Preeti Chauhan as Independent Directors for a period of 3 years. The Company has received requisite notices in writing from members proposing the candidatures of Mr. Rochak Puri and Ms. Preeti Chauhan for appointment as Independent Directors.

Your Directors recommend the appointment/ re-appointment of the above said Directors at the ensuing Annual General Meeting.

Corporate Governance

Your Company reaffirms its commitment to 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 Clause 49 of the Listing Agreement with the Stock Exchanges, the Corporate Governance Report and Auditors' Certificate regarding compliance of conditions of Corporate Governance are enclosed as Annexure - A and forms an integral part of this Report.

Auditors

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

The Company has received communication from M/s. N. M. Raiji & Co., 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 25: Complete facts have been disclosed in the note which is self-explanatory and do not call for any further comments.

Note 29: Provision for dividend on preference share could not be made in view of substantial accumulated losses from earlier year.

Note 30: 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 the number of employees.



Directors' Responsibility Statement

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

1. in the preparation of the Annual Accounts for the financial year ended on March 31, 2014, the applicable Accounting Standards have been followed alongwith proper explanation relating to material departures;
2. the Directors had selected such accounting policies and applied them consistently and made judgements 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, 2014 and of the profit of the Company for the year under review;
3. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
4. the Directors had prepared the annual accounts for the financial year ended on March 31, 2014 on a 'going concern' basis.

Particulars of Employees

None of the employees of your Company is in receipt of remuneration requiring disclosure pursuant to the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975; hence no such particulars are annexed.

Information under Section 217(1)(E) of the Companies Act, 1956

I. Conservation of Energy

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

II. Research & Development (R&D)

Specific R&D Activities: There is no Research and Development activity in the Company.

Benefits derived as a result of above R&D: **N.A.**

Future Plan of Action: **NIL**

Expenditure on R & D : **NIL**

III. Technology Absorption, Adaptation and Innovation:

Efforts in brief made towards Technology absorption etc.: **NIL**

Benefits derived as a result of above: **N.A.**

Technology imported, years of Import, Has technology been fully absorbed? If not fully absorbed, areas where this has not taken place, reasons therefor and future plans of action: **N.A.**

IV. 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.

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 have continued with the Company and extended their full support during this difficult period. We also convey our thanks to our esteemed shareholders for their continued support and encouragement.

For and on behalf of the Board of Directors

**Place: Faridabad
Dated: August 12, 2014**

Sd/-
**Inder Mohan Sakhuja
Chairman**



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 liberalisation and deregularisation 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 is in conformity with Clause 49 of the Listing Agreement 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, 2014, the Company's Board comprised of four (4) Directors out of which two (2) are Independent Non-Executive Directors. Chairman of the Board is a non-executive Director. All Independent Non-Executive Directors are compliant with the requirements of the Listing Agreement for being an Independent Director and have confirmed that they meet the 'Independence' criteria as mentioned under Clause 49 of the Listing Agreement.

As mandated by Clause 49, the Independent Directors on the Board of the Company:

- apart from receiving Director's remuneration, do not have any material pecuniary relationships or transactions with the Company, its Promoters, its Directors, its Senior Management or its Holding Company, its Subsidiaries and Associates, which may affect the independence of the Director.
- are not related to promoters or persons occupying management positions at the Board level or at one level below the Board.
- have not been an executive of the Company in the immediately preceding 3 financial years.
- are not Partners or Executives or were not Partners or Executives during the preceding three financial years of the:
 - a) Statutory Audit firm or the Internal Audit firm associated with the Company.
 - b) Legal firm(s) and Consulting firm(s) having material association with the Company.
- are not material suppliers, service providers or customers or lessors or lessees of the Company, which may affect independence of the Director.



- are not substantial shareholders of the Company, i.e. do not own 2% or more of the Paid-up capital of the Company.
- are not less than 21 years of age.

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

Name	Designation	Category	No. of Board meetings attended during the year	Whether attended the last AGM	No. of Directorships in Public Companies*	Committee Positions held**	
						Member-ship	Chairman-ship
Mr. Inder Mohan Sakhuja	Chairman	Non-Executive & Non Independent	4	No	1	NIL	NIL
Mr. Pritam Narang	Director	Non-Executive & Non Independent	4	Yes	2	NIL	NIL
Mr. Rochak Puri	Director	Non-Executive & Independent	4	Yes	1	NIL	NIL
Ms. Preeti Chauhan	Director	Non-Executive & Independent	4	No	1	NIL	NIL

* Including Escorts Finance Limited.

** In accordance with Clause 49, Membership/ Chairmanship of Audit Committee and Shareholders'/ Investors' Grievance Committee in all Public Limited Companies (excluding Escorts Finance Limited) have been considered.

Note: 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, 2014 the Board of Directors met four (4) times on May 27, 2013, August 12, 2013, November 13, 2013 and February 11, 2014.

The gap between any two Board meetings did not exceed four months.

(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 the Chief Executive Officer 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, 2014.

Place: Faridabad

Dated: August 12, 2014

Sd/-
P.K. Marwah
Manager



III. Audit Committee

(i) Constitution

As on March 31, 2014 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 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

The Audit Committee assists the Board in its responsibility to oversee the quality and integrity of the accounting, auditing & 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.

(ii) Terms of Reference

The Charter of the Committee is as prescribed under Section 292A of the Companies Act, 1956 read with Clause 49 of the Listing Agreement viz.:

1. Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, reappointment and, if required, the replacement or removal of the Statutory Auditors and 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 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 (2AA) of Section 217 of the Companies Act, 1956.
 - b. Changes, if any, in accounting policies & 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. Qualifications 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, with the Management, performance of Statutory & Internal Auditors and adequacy of the internal control systems.



8. Reviewing and monitoring the Auditors independence & performance and effectiveness of audit process.
9. Approval or any subsequent modification of transactions of the Company with related parties.
10. Scrutiny of inter-corporate loans and investments.
11. Valuation of undertakings or assets of the Company, wherever necessary.
12. Evaluation of internal financial controls and risk management 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, in case the same is existing.
19. Approving the appointment of Chief Financial Officer (i.e., the Wholetime 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, reappointment and, if required, the replacement or removal of the Cost Auditors.
23. The Company 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. Management letters/ letters of internal control weaknesses issued by the Statutory Auditors;
 - c. Internal audit reports relating to internal control weaknesses, if any;
 - d. Appointment, removal and terms of remuneration of the Internal Auditor;
 - e. The Financial Statements, in particular, the investments made by the unlisted subsidiaries of the Company, in view of the requirements under Clause 49;
 - f. Details of material individual transactions with related parties, which are not in the normal course of business; and
 - g. 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.



(iii) Meeting & Attendance

During the financial year 2013 -14, Audit Committee met four (4) times on May 27, 2013, August 12, 2013, November 13, 2013 and February 11, 2014.

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. Annual General Meeting held on Friday, September 20, 2013 was attended by the Chairman of the Committee Mr. Rochak Puri, to answer shareholders query.

IV. Remuneration Committee

There is no remuneration committee of Directors constituted in the Company.

(i) 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, 2013 to March 31, 2014 are as under:

S.No.	Name of Member	Relationship with other Directors	Sitting Fees (in Rs.)
1.	Mr. Inder Mohan Sakhuja	*	8,000
2.	Mr. Pritam Narang	*	16,000
3.	Mr. Rochak Puri	*	16,000
4.	Ms. Preeti Chauhan	*	16,000
Total			56,000

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

(ii) Shareholding of Non-Executive Directors of the Company

As on March 31, 2014, none of the Directors of the Company held any share in the Company.

V. Shareholders' Grievance Committee

(i) Constitution

The Shareholders' Grievance Committee comprises of the following Directors:

Name of Member	Designation	Category
Mr. Rochak Puri	Chairman	Non-Executive Independent Director
Mr. Inder Mohan Sakhuja	Member	Non-Executive Non Independent Director
Mr. Pritam Narang	Member	Non-Executive Non Independent Director

(ii) Terms of Reference

The Committee looks to redress Shareholders' complaints relating to delay in share transfer, demat/ remat of shares, issue of duplicate shares, non-receipt of Annual Report, non-receipt of dividends etc.

(iii) Meetings and Attendance

During the financial year 2013-14, 4 (Four) meetings of the Shareholders' Grievance Committee were held on May 27, 2013, August 12, 2013, November 13, 2013, February 11, 2014.



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. Inder Mohan Sakhuja	4	4
Mr. Pritam Narang	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 Listing Agreement.

(v) Manager

Mr. P. K. Marwah is the Manager of the Company as per Section 269 of the Companies Act, 1956.

(vi) Complaints received/ resolved

During the year under review, six (6) 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 2013-14 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, 2014.

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
2012 - 13	Hotel KC Residency, SCO-377-380, Sector-35B, Chandigarh-160022	Friday , September 20, 2013	3:00 P.M.	None
2011-12	Hotel KC Residency, SCO-377-380, Sector-35B, Chandigarh-160022	Friday, September 28, 2012	3:00 P.M.	None
2010-11	The Executive Club', 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi – 110074	Friday, July 15, 2011	4.00 P.M.	One

Special Resolution passed through Postal Ballot

During the financial year 2013-14, the Company has not passed any Special Resolution through Postal Ballot.

None of the businesses 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.
- 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:

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 Company has not adopted any Whistle Blower policy. However, no person has been denied access to the Audit Committee.
- d. Details of the compliance with mandatory requirements of Clause 49:
The details of mandatory requirements are mentioned in this Report.

IX. Means of Communication

Key Financial reporting dates during the financial year 2013-14

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

- For Quarter ended 30.06.13: Financial Express (English), Jansatta (Hindi).
- For Quarter ended 30.09.13: Financial Express (English), Jansatta (Hindi).
- For Quarter ended 31.12.13: Financial Express (English), Jansatta (Hindi).
- For Year ended 31.03.14: Financial Express (English), Jansatta (Hindi).

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

X. General Shareholder Information

(i) Company Registration Details

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

(ii) Annual General Meeting

Day & Date : Friday, September 26, 2014
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, 1956 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 provisions of Section 149 of the Companies Act, 2013, your Directors are seeking appointment of Mr. Rochak Puri and Ms. Preeti Chauhan as Independent Directors for a period of 3 years.



The brief resume(s) and other details relating to the Director(s) who are proposed to be appointed/ re-appointed, as required to be disclosed under Clause 49 of the Listing Agreement are provided as under:

Name	Pritam Narang	Rochak Puri	Preeti Chauhan
DIN	00982418	00042536	06567695
Qualification	B.Com (Hons) from Delhi University, M.Com from Rajasthan University, Intermediate (Group – 1) of ICWA	B.Com (Hons) from Delhi University, Member of ICSI, Intermediate of ICWA	Graduate from Delhi University, M.Com in Business Policy and Corporate Governance from IGNOU and Member of ICSI
Area of Expertise	Mr. Narang is having Experience in Accounts & Finance, Export & Import, Third Country International Trade, Corporate Aviation Management, Corporate Administration, Projects, travel trade. He is also governing Board member of Business Aircraft Operator Association.	Mr. 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.	Ms. Preeti Chauhan is having experience in Secretarial, Legal, Finance and accounts.
Other Directorships	1. Escorts Consumer Credit Limited 2. Sumatri Bima and Distributors Private Limited	NIL	NIL
Committee Memberships	Escorts Finance Limited <ul style="list-style-type: none"> • Audit Committee – Member • Shareholders' Grievance Committee – Member • Share Transfer Committee – Member • Committee of Banking & Legal Matters – Member 	Escorts Finance Limited <ul style="list-style-type: none"> • Audit Committee - Chairman • Shareholders' Grievance Committee - Chairman • Share Transfer Committee - Member • Committee of Banking & Legal Matters - Member 	Escorts Finance Limited <ul style="list-style-type: none"> • Audit Committee - Member

(v) Financial Calendar 2014-15 (tentative)

Meetings of Board/ Committee thereof to take on record:

Financial results for quarter ended June 30, 2014	:	By August 14, 2014
Financial results for quarter ended September 30, 2014	:	By November 14, 2014
Financial results for quarter ended December 31, 2014	:	By February 14, 2015
Financial results for quarter ended March 31, 2015	:	By May 15, 2015

If unaudited quarterly results or alternatively by May 30, 2015, in case of audited results for the year.

(vi) Annual General Meeting for the Financial Year ending March, 2015: By September 30, 2015.

(vii) Book Closure

The members register will be closed from September 13, 2014 to September 26, 2014 (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

August 22, 2014 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 has been carried on by Alankit Assignments Ltd., Category I Registrar and Transfer Agents having office at Alankit House, 2E/21, 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 the 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, 2014 are as follows:

Month	High		Low	
	BSE Sensex	Share price (in Rs.)	BSE Sensex	Share price (in Rs.)
April 2013	19,622.68	3.34	18,144.22	2.73
May 2013	20,443.62	3.50	19,451.26	2.96
June 2013	19,860.19	3.10	18,467.16	2.54
July 2013	20,351.06	3.91	19,126.82	2.69
August 2013	19,569.20	5.19	17,448.71	4.09
September 2013	20,739.69	5.46	18,166.17	4.66
October 2013	21,205.44	5.00	19,264.72	4.45
November 2013	21,321.53	4.40	20,137.67	2.97
December 2013	21,483.74	3.74	20,568.70	2.66
January 2014	21,409.66	4.96	20,343.78	3.40
February 2014	21,140.51	3.48	19,963.12	2.90
March 2014	22,467.21	3.31	20,920.98	2.70



(xiv) Distribution of Shareholding as on March 31, 2014: -

No. of shares	No. of shareholders	No. of shares held	% of Total
Upto 100	20841	1826146	4.537
101 to 500	3248	962579	2.392
501 to 1000	650	556547	1.383
1001 to 5000	462	1074677	2.67
5001 to 10000	70	529654	1.316
10001 to 20000	20	268862	0.668
20001 to 30000	9	231051	0.574
30001 to 40000	2	63989	0.159
40001 to 50000	0	0	0
50001 to 100000	3	216285	0.537
100001 to 500000	1	151322	0.376
500001 and above	8	3436888	85.389
TOTAL	25314	40250000	100.000

(xv) Shareholding Pattern as on March 31, 2014

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	1	200	0.00
b) Banks/ FIs	2	841966	2.092
c) FIs/ VCs etc.	NIL	NIL	NIL
Non Institutions:			
a) Private Bodies Corporate	181	5986605	14.874
b) Indian Public	25107	5400187	13.417
c) NRIs / OCBs etc.	16	17864	0.044
TOTAL	25314	40250000	100.00

(xvi) Dematerialisation

As on March 31, 2014 dematerialised shares accounted for 95.48% (95.46% up to March 31, 2013) of the total equity shares.

(xvii) Outstanding GDRs/ ADRs/ Warrants etc.

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

(xviii) Plant Location

There are 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, 2E/21
Jhandewalan Extension
New Delhi – 110055
Tel.- +91-11-42541953,
23541234, 42541234
Fax: +91-11-23552001
Email-id:- rta@alankit.com,

For and on behalf of the Board of Directors

Place: Faridabad
Dated: August 12, 2014

Sd/-
Inder Mohan Sahuja
Chairman

CEO/ CFO Certification

The Manager and Chief Financial Officer of the Company certified to the Board on financial reporting and internal controls in terms of Clause 49(V) of the Listing Agreement pertaining to CEO and CFO certification for the financial year ended on March 31, 2014.

To,
The Board of Directors
Escorts Finance Limited

Dear Sir,

We, P. K. Marwah, Manager 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 year ended on March 31, 2014 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 be taken 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 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: August 12, 2014

Sd/-
Donald Fernandez
Chief Financial Officer

Sd/-
P.K. Marwah
Manager



Auditors' Certificate regarding compliance with the conditions of Corporate Governance under Clause 49 of the Listing Agreement

To the Members

Escorts Finance Limited

We have examined the compliance of conditions of Corporate Governance by Escorts Finance Limited ("the Company") for the year ended on March 31, 2014, as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that in respect of investor grievances received during the financial year ended on March 31, 2014 no investor grievance is pending against the Company for a period exceeding one month as per records maintained by the Company which are presented to the Shareholders/ Investors' Grievance Committee.

We further 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.

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

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

Place: Faridabad
Dated: August 12, 2014



To the members of

ESCORTS FINANCE LIMITED

1. Report on the Financial Statements

We have audited the accompanying financial statements of **Escorts Finance Limited ('the Company')**, which comprise the Balance Sheet as at March 31, 2014, and the Profit and Loss Statement and Cash Flow Statement for the year ended on that date, and a summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements

Management of the Company is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flow of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

3. Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirement 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 amount and 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

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

4. Basis for Qualified Opinion

Attention is invited to the following Notes to the Financial Statements:

- (i) **Note 21, regarding non-maintenance of investments in Government Securities as liquid assets in terms of Section 45-IB of Reserve Bank of India Act, 1934;**
- (ii) **Note 22, regarding non-maintenance of minimum Capital Adequacy Ratio required to be maintained in terms of Non-Banking Financial Companies requirements;**
- (iii) **Note 24, regarding the Company's credit rating;**
- (iv) **Note 25, regarding unpaid/unclaimed matured Fixed Deposit liability;**
- (v) **Note 29, regarding non-provision of preference dividend on cumulative preference shares;**
- (vi) **Note 30, regarding non-determination of Employees Terminal Benefits on actuarial basis.**

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 paragraph 4(iv), 4(v) and 4(vi) of basis for Qualified Opinion above, the 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:

- (I) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (ii) In the case of the Profit & Loss Statement, of the Profit for the year ended on that date; and
- (iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

6. Other Matters

The Company has filed an application with Reserve Bank of India for deregistration of its NBFC status and accordingly Certificate of Registration has been surrendered.

7. Report on Other Legal and Regulatory Requirements

- (I) As required by the Companies (Auditor's Report) order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement of the matters specified in paragraph 4 and 5 of the said order.
- (ii) Further to our comments in the Annexure referred to in Paragraph 6(i) above, as required by 227(3) of the Act, we report that;
 - a. We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as appear from our



- examination of those books;
- c. The Balance Sheet, Profit and Loss Statement and 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 paragraph 4(iv), 4(v) and 4(vi) of basis for Qualified Opinion above**, in our opinion, the Balance Sheet, Profit and Loss Statement and Cash Flow Statement dealt herewith comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
 - e. On the basis of the written representations received from the Directors and taken on records by the Board of Directors, none of the Director is disqualified, as at the balance sheet date, from being appointed as Director in terms of section 274(1)(g) of the Companies Act, 1956;
 - f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For **N.M. Raiji & Co.**,
Chartered Accountants
Firm Regn. No. 108296W

S.N. Shivakumar
Partner
M.No.088113

Place: Faridabad
Dated: 21st May, 2014

ANNEXURE TO THE AUDITOR'S REPORT OF EVEN DATE TO THE MEMBERS OF ESCORTS FINANCE LIMITED

1. (a) The Company has maintained its fixed assets register showing full particulars, including quantitative details and the situation of its fixed assets;
(b) Fixed assets are physically verified by the management at reasonable intervals. In our opinion, the frequency of verification of the fixed assets by the management is reasonable having regard to the size of the Company and the nature of its assets. There was no material discrepancies noticed during such verification;
(c) The assets disposed off during the year are not significant and therefore do not affect the going concern assumption;
2. 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;
3. (a) During the year, the Company has not granted any loans, secured or unsecured, to Companies, firms or parties covered in the register maintained under Section 301 of the Companies Act, 1956. In view of the above, clause 4(iii) (b), (c) and (d) of the Order are not applicable to the Company;
(b) During the year, the Company has not taken any loans, secured or unsecured, from companies, firms or parties covered in the register maintained under Section 301 of the Companies Act, 1956. In view of the above, clause 4(iii) (f) and (g) of the Order are not applicable to the Company;
4. In our opinion and according to the information and explanations provided to us there are adequate internal control procedures commensurate with the size of the Company and the limited nature of its business in relation to fixed assets. In our opinion, **internal controls need to be strengthened in relation to other areas.**
5. In our opinion and according to the information and explanations given to us, there are no contracts or arrangements that need to be entered in the register required to be maintained under Section 301 of Companies Act, 1956. Accordingly clause (v)(a) of the Order is not applicable to the Company;
6. In respect of deposits accepted, 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 58A, 58AA or any other relevant provisions of the Companies Act, 1956 the Company had not complied with the said norms in relation to repayment of deposits on their respective maturity dates. However, In accordance with the Hon'ble Delhi High Court's Order / direction dated 4th March 2011, Escorts Benefit Trust (EBT) created by Escorts Limited, repaid matured fixed deposit liability against the claims received till 3rd March 2013. Claims received after said date are also being entertained and settled after due verification. As at 31st March 2014, the unpaid/unclaimed matured fixed deposits liability (including interest thereon) is Rs.1606.08 lacs (Previous Year Rs.1747.43 lacs).
7. **The internal audit system of the Company, in our opinion, needs to be considerably strengthened;**
8. In view of nature of business of the Company, the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 has not been prescribed by the Central Government; DCIT



9. (a) According to the records, information and explanations provided to us, the Company is generally regular in depositing with appropriate authorities undisputed amount of provident fund, investor education protection fund, employee's state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other statutory dues applicable to it and no undisputed amounts payable were outstanding as at 31st March, 2014 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) The following are the details of disputed Income Tax and Sales Tax that have not been paid to the concerned authorities:

	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 AY 2005-06	DCIT, New Delhi DCIT, New Delhi	34.94 131.34
2	Sales Tax	AY 2001-02 AY 1994-95 AY 1999-01	AC Appeal, Kolkata DC Appeal, Noida AC Appeal, Jaipur	2.26 0.54 1.52

10. Although the Company has made profit during the year, it has accumulated losses as at end of financial year and also has incurred losses in the immediately preceding financial year. **The net worth of the Company continues to stand fully eroded as at the end of the financial year;**
11. Based on our audit procedures and as per the information and explanations given by the management, the Company has not defaulted in repayment of dues to any financial institution or bank;
12. Based on our examination and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities;
13. As explained to us, the provisions of any special statute applicable to Chit Fund, Nidhi or Mutual Benefit Fund/ Societies are not applicable to the Company;
14. The Company is not dealing or trading in shares, securities, debentures and other investments;
15. On the basis of the information and explanations given to us the Company has not given any guarantee for loans taken by others from bank or financial institutions;
16. Based on information and explanations given to us by the management, no term loan has been obtained by the company during the year;
17. On the basis of our examination of the books of accounts and as per information and explanations given to us, in our opinion, no funds were raised by the company on short-term basis during the year;
18. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Act;
19. The Company did not have any outstanding debentures during the year;
20. The Company has not raised any money by public issues during the year;
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanation given to us, we have neither come across any instance of fraud on or by the Company noticed or reported during the year, nor have we been informed of such case by the management.

For **N.M. Raiji & Co.,**
Chartered Accountants
Firm Regn. No. 108296W

S.N. Shivakumar

Partner

M.No.088113

Place: Faridabad

Dated: 21st May, 2014

BALANCE SHEET AS AT 31ST MARCH 2014


		Rs. in Lacs	
	Note No.	As at 31st March 2014	As at 31st March 2013
I EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	2	4,967.25	4,967.25
Reserves and Surplus	3	(21,759.61)	(21,772.17)
		(16,792.36)	(16,804.92)
NON-CURRENT LIABILITIES			
Long-Term Provisions	4	1.63	3.90
CURRENT LIABILITIES			
Other Current Liabilities	5	17,419.50	17,429.30
Short-Term Provisions	6	189.15	189.54
		17,608.65	17,618.84
TOTAL		817.92	817.82
II ASSETS			
NON-CURRENT ASSETS			
Fixed Assets	7		
Tangible Assets		0.14	0.52
Intangible Assets		0.13	0.22
		0.27	0.74
Non-Current Investments	8	489.93	489.93
Long Term Loans and Advances	9	-	-
		490.20	490.67
CURRENT ASSETS			
Current Investments	8	0.01	0.01
Inventories	10	0.55	0.67
Trade Receivables	11	-	-
Cash, Cash Equivalents and Bank Balances	12	7.17	7.22
Short-Term Loans and Advances	13	319.96	319.06
Other Current Assets	14	0.03	0.19
		327.72	327.15
TOTAL		817.92	817.82
Significant accounting policies	1		

Note numbers 19-39 form an integral part of the Financial Statements.

As per our report of even date attached.

For N.M.Raiji & Co.

Chartered Accountants
Firm Regn. No. 108296W

For and on behalf of the Board of Directors

Sd/-
CA S.N. Shivakumar
Partner
Membership No. 088113

Sd/-
P.K.Marwah
Manager

Sd/-
Pritam Narang
Director

Sd/-
Inder Mohan Sakhuja
Chairman

Place : Faridabad
Date : 21st May, 2014

PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014


		Rs. in Lacs	
	Note No.	Year Ended 31st March 2014	Year Ended 31st March 2013
REVENUE			
Revenue from Operations		-	-
Other Income	15	73.07	47.48
Total Revenue		73.07	47.48
EXPENSES			
Employee Benefits Expenses	16	11.61	16.46
Finance Costs	17	0.10	0.55
Depreciation	7	0.20	0.37
Other Expenses	18	48.60	87.37
Total Expenses		60.51	104.75
Profit/(loss) before tax		12.56	(57.27)
Tax Expense		-	-
Net Profit/(Loss) for the year		12.56	(57.27)
Earnings per Equity Share-	36		
Basic / Diluted (in Rs.)		0.03	(0.14)

Significant Accounting Policies

1

Note numbers 19-39 form an integral part of the Financial Statements.

As per our report of even date attached.
For N.M.Raiji & Co.

 Chartered Accountants
 Firm Regn. No. 108296W

For and on behalf of the Board of Directors

 Sd/-
CA S.N. Shivakumar
 Partner
 Membership No. 088113

 Sd/-
P.K.Marwah
 Manager

 Sd/-
Pritam Narang
 Director

 Sd/-
Inder Mohan Sakhuja
 Chairman

 Place : Faridabad
 Date : 21st May, 2014

**1. SIGNIFICANT ACCOUNTING POLICIES:****(a) Basis of Preparation**

The financial statements have been prepared to comply in all material aspects with the Notified Accounting Standards by Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956.

(b) Method of Accounting

Accounts are maintained on an accrual basis and at historical cost.

(c) Use of Estimates

The preparation of financial statements in conformity with Indian Generally Accepted Accounting Principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures relating to contingent liabilities as at the date of financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Differences between the actual result and estimates are recognized in periods in which the results are known/materialised.

(d) Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation.

(e) Inventories

Repossessed assets are valued at the year-end at lower of book value or net realizable value as certified by the independent valuer.

(f) Depreciation

The Company has provided depreciation on Written Down Value Method as per the rates prescribed under Schedule XIV to the Companies Act, 1956. Assets of the value of Rs.5000/- or below, where identifiable, are fully charged off in the year of purchase.

(g) Investments

Investments are classified as non-current investments if these are intended to be held for more than one year. Other investments are classified as current investments.

Non-current investments are stated at cost. Provision for diminution in the value of investment, if any, is made if the decline in value is of permanent nature.

Current Investments, other than unquoted, are valued at lower of cost or market value. Unquoted current investments are valued at cost or at break up values determined from the last available Balance Sheets of the investee companies or at one rupee only, where the balance sheet is not available for previous two years.

(h) Revenue Recognition

- 1) 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.
- 2) 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.
- 3) Interest on overdue installments is accounted for on receipt basis.

(I) Employees Benefits

- 1) Defined Contribution Plan
Employees benefits in the form of Provident Fund are considered as defined contribution plan and the contributions are charged to the Profit and Loss Statement of the year when the contributions to the respective funds are due.
- 2) Defined Benefits Plan
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.
- 3) Other Long Term Benefits
Long term compensated absences are provided for on the basis of actual, as at the date of the Balance Sheet.

(j) Taxes on Income

Tax expenses comprise of current tax expense and deferred taxes. Current tax is measured at the amount expected to be paid to the taxation authorities using the applicable tax rates and tax laws. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantially enacted till the Balance Sheet date. Tax effect of the timing difference of the current period is included in the Profit & Loss Statement as a part of the tax expense and as deferred tax liability in the Balance Sheet.



	Rs. in Lacs			
	As at 31st March 2014	As at 31st March 2013		
2 SHARE CAPITAL				
Authorised :				
4,05,00,000 Equity Shares of Rs.10/- each (Previous Year: 4,05,00,000 Equity Shares)	4,050.00	4,050.00		
95,00,000 10% Redeemable Cumulative Preference Shares of Rs. 10/- each (Previous Year: 95,00,000 Redeemable Cumulative Preference Shares)	950.00	950.00		
	<u>5,000.00</u>	<u>5,000.00</u>		
Issued, Subscribed and Paid-up :				
4,02,50,000 Equity Shares of Rs.10/- each (Previous Year: 4,02,50,000 Equity Shares)	4,025.00	4,025.00		
Less: Allotment Money in arrears from others	7.75	7.75		
	<u>4,017.25</u>	<u>4,017.25</u>		
95,00,000 10% Redeemable Cumulative Preference Shares of Rs 10/- each (Previous Year: 95,00,000 10% Redeemable Cumulative Preference Shares)	950.00	950.00		
	<u>4,967.25</u>	<u>4,967.25</u>		
Out of the above:				
(a) 10% Redeemable Cumulative Preference Share redeemable on 27th June, 2017.				
(b) The details of Shareholder holding more than 5% shares:				
Name of the Share holders	As at 31st March 2014		As at 31st March 2013	
	Number of Shares held	% of Shares held	Number of Shares held	% of Shares held
Surendra Ambalal Dave, Trustee of Escorts Benefit and Welfare Trust	23497478	58.38%	23497478	58.38%
Escorts Limited	3819700	9.49%	3819700	9.49%
				Rs. in Lacs
			As at 31st March 2014	As at 31st March 2013
3 RESERVES AND SURPLUS				
Securities Premium Account			2,643.83	2,643.83
Special Reserve				
Balance at beginning of the year			1,105.21	1,105.21
Add: Transfer during the year			2.51	-
Balance at the end of the year			<u>1,107.72</u>	<u>1,105.21</u>
General Reserve			31.46	31.46
Profit & Loss Account				
Balance at beginning of the year			(25,552.67)	(25,495.40)
Add: Profit/(Loss) for the year			12.56	(57.27)
Less : Transfer to Special Reserve			(2.51)	-
Balance at the end of the year			<u>(25,542.62)</u>	<u>(25,552.67)</u>
			<u>(21,759.61)</u>	<u>(21,772.17)</u>



		Rs. in Lacs	
		As at 31st March 2014	As at 31st March 2013
4	LONG TERM PROVISIONS		
	Provision for Employee Benefits	1.63	3.90
		1.63	3.90
5	OTHER CURRENT LIABILITIES		
	Matured/Unclaimed Fixed Deposits and Interest thereon <i>(Also refer Note-25)</i>	1,606.08	1,747.43
	Escorts Limited - FD Redemption	14,259.08	14,118.44
	Other Payables	1,554.34	1,563.43
		17,419.50	17,429.30
6	SHORT TERM PROVISIONS		
	Provision for Employee Benefits	0.61	1.00
	Provision for Tax	188.54	188.54
		189.15	189.54

7 FIXED ASSETS

	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As at 01.04.13	Additions	Deductions	As at 31.03.14	As at 01.04.13	For the year	Adjust- ment	As at 31.03.14	As at 31.03.14	As at 31.03.13
TANGIBLE ASSETS										
Furniture and Fixtures	6.46	-	5.09	1.37	6.20	0.04	4.89	1.35	0.02	0.26
Office Equipment	26.75	-	4.57	22.18	26.53	0.06	4.53	22.06	0.12	0.22
Motor Vehicle	0.58	-	0.58	-	0.54	0.01	0.55	-	-	0.04
Total	33.79	-	10.24	23.55	33.27	0.11	9.97	23.41	0.14	0.52
INTANGIBLE ASSETS										
Website Development	0.53	-	-	0.53	0.31	0.09	-	0.40	0.13	0.22
Total	0.53	-	-	0.53	0.31	0.09	-	0.40	0.13	0.22
Total	34.32	-	10.24	24.08	33.58	0.20	9.97	23.81	0.27	0.74
Previous Year	(42.29)	-	(7.97)	(34.32)	(41.02)	(0.37)	(7.81)	(33.58)	(0.74)	

		Rs. in Lacs	
		As at 31st March 2014	As at 31st March 2013
8	INVESTMENTS		
	Non Current Investments		
	Quoted (Trade Investments)		
	a) 0 Units - UTI EQUITY FUND (formerly UTI MASTERGAIN-92) (Previous Year: 9,600 Units)	-	1.25
	Less: Provision for Diminution in value of Trade Investments	-	1.25
		-	-
	Unquoted (Non -Trade Investments)		
	a) 48,99,300 Equity Shares of ESCORTS ASSETS MANAGEMENT LIMITED (Previous Year: 48,99,300 Equity Shares)	489.93	489.93
		489.93	489.93



	Rs. in Lacs	
	As at 31st March 2014	As at 31st March 2013
Current Investments		
Unquoted (Non -Trade Investments)		
a) 100 Equity Shares of Rs.10/- each of ESCORTS INVESTMENT TRUST LIMITED (Previous Year: 100 Equity Shares)	0.01	0.01
Unquoted (Trade Investments)		
a) 190,000 Equity Shares of Rs.10/- each of ESCORT CONSUMER CREDIT LIMITED (Previous Year: 190,000 Equity Shares)	0.02	0.02
b) 92,485 Equity Shares of Rs.10/- each of G R SOLVENTS & ALLIED INDUSTRIES LIMITED (Previous Year: 92,485 Equity Shares)	7.40	7.40
	7.42	7.42
Less: Provision for Diminution in value of Trade Investments	7.42	7.42
	-	-
	0.01	0.01
	489.94	489.94
(Total Market Value of Quoted Investments:Rs.Nil; Previous Year: Rs.Nil)		
9 LONG TERM LOANS AND ADVANCES		
Unsecured - Considered Doubtful (Also refer Note-26)	1,363.17	1,363.78
Less: Provision for bad & doubtful loans & advances	1,363.17	1,363.78
	-	-
10 INVENTORIES		
Stock of Repossessed Assets (Taken at net realisable value)	0.55	0.67
	0.55	0.67
11 TRADE RECEIVABLES		
Unsecured and outstanding for a period exceeding six months (Also refer Note-28)	865.51	904.64
Less: Provision for bad and doubtful trade receivables	865.51	904.64
	-	-
12 CASH, CASH EQUIVALENTS AND BANK BALANCES		
Cash in hand	1.49	2.30
Balances with Scheduled Banks :		
In Current Account	5.68	4.25
In Deposit Account	-	0.67
	7.17	7.22
13 SHORT TERM LOANS AND ADVANCES		
Security Deposits	3.80	3.52
Advance with public bodies	0.14	0.14
Advance payment of Income Tax	60.15	60.13
Other Loans and Advances		
Unsecured - Considered Good	255.87	255.27
	319.96	319.06
14 OTHER CURRENT ASSETS		
Interest accrued on Deposits	0.03	0.19
	0.03	0.19



	Rs. in Lacs	
	Year Ended 31st March 2014	Year Ended 31st March 2013
15 OTHER INCOME		
Bad Debts Recovered	5.94	20.62
Overdue Interest	20.31	10.65
Profit on sale of fixed assets	-	0.03
Credit Balances / Provisions no longer required written back	46.40	15.40
Interest Income	0.22	0.29
Miscellaneous Income	0.20	0.49
	73.07	47.48
16 EMPLOYEE BENEFITS EXPENSES		
Salaries, Allowances and Leave Encashment etc.	10.55	14.60
Contribution to Provident and Other funds	0.67	1.11
Staff Welfare	0.39	0.75
	11.61	16.46
17 FINANCE COSTS		
Bank Charges	0.10	0.06
Interest -Others	-	0.49
	0.10	0.55
18 OTHER EXPENSES		
Rates and Taxes	1.43	0.21
Legal and Professional Charges	17.79	17.73
Repairs and Maintenance	0.51	0.41
Printing and Stationery	0.24	0.25
Travelling and Conveyance	2.55	4.19
Advertisement and Publicity	2.58	1.13
Postage, Telex and Telephones	3.23	1.26
Payment to Auditors		
Audit Fee	1.35	1.35
Certification Fee	1.40	4.09
Director's Sitting Fees	0.56	0.64
Rebate on Settlements	-	0.50
AGM	2.97	3.01
Fixed Assets Written Off	0.26	
Loss on sale of Fixed Assets	-	0.01
Provision for Loss of Trade Investments	-	1.25
Investment written off	1.25	
Less: Provision already held	(1.25)	-
Subscription & Fees	2.08	2.19
Diminution in Value of repossessed stock	0.12	0.29
Claims/Compensation paid	7.54	44.24
Miscellaneous	3.99	4.62
	48.60	87.37



19. Estimated amounts of contracts remaining to be executed on capital account- (Net of advances)-Rs. Nil (Previous Year Rs.Nil)

20. Contingent Liabilities:

- a. 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).
 - b. Claims/demands under litigation against the Company not acknowledged as debt and not provided for in the books. Amount is presently not ascertainable.
21. Due to continued financial constraints the Company was not able to maintain investment in Government Securities as liquid assets in terms of Section 45-IB of Reserve Bank of India Act, 1934.
 22. Due to paucity of funds and no fresh business having been conducted by Company, the minimum Capital Adequacy Ratio could not be maintained as required for Non-Banking Financial Companies.
 23. The Company has filed an application with the Reserve Bank Of India (RBI) for deregistration of its NBFC status and accordingly Certificate of Registration (COR) has been surrendered.
 24. The credit rating for the Fixed Deposits programme of the Company was revised in November, 2005 by CARE Limited to CARE (B) i.e. Susceptible to default. No rating has been sought thereafter.
 25. In accordance with the Hon'ble Delhi High Court's Order / direction dated 4th March 2011, Escorts Benefit Trust (EBT) created by Escorts Limited, repaid matured fixed deposit liability against the claims received till 3rd March 2013. Claims received after said date are also being entertained and settled after due verification. As at 31st March 2014, the unpaid/unclaimed matured fixed deposits liability is Rs.1606.08 lacs (Previous Year Rs.1747.43 lacs).
 26. 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. 9. Adequate provision is held against such loans and advances.
 27. The Company has not carried out any fresh business as a Non- Banking Financial Institution (NBFI) during the year in view of the restrictions placed by and application filed for deregistration with Reserve Bank of India. However the Company continues to focus on recovery of delinquent assets through settlement/compromise/legal action etc. The management is also exploring possibilities of establishing the Company in the businesses other than NBFI and accordingly the accounts of the Company have been prepared on going concern basis.
 28. Trade receivables amounting to Rs. 865.51 lacs (Previous Year Rs. 904.64 lacs) vide Note No. 11 represents certain cases against which legal actions/ settlements/compromises are in process. However, full provision is held against such receivables.
 29. Although the Company has made profit during the year, it has accumulated losses as at end of financial year and also has incurred losses in the immediately preceding financial year, the Company has not made any provision for preference dividend on cumulative preference shares.
 30. The Company has not obtained Actuarial Valuation with regards to Employee's terminal benefits i.e., Gratuity and Leave Encashment as mandated by Accounting Standard 15 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.
 31. The Company is engaged primarily in the business of financing and accordingly there are no separate reportable segments as per the Accounting Standard – 17 'Segmental Reporting'.
 32. Related Party Disclosure as identified and certified by the management:
Related party disclosures as required under Accounting Standard 18 on "Related Party Disclosure" issued by the Institute of Chartered Accountants of India are given below:



(a) Joint Ventures and Associates:

- Escorts Assets Management Limited.
- Surendra Ambalal Dave, Trustee of Escorts Benefit & Welfare Trust.

(b) Key Management Personnel:

- Mr. P. K. Marwah - Manager

(c) Related Party Transactions:

- Investment in shares of Escorts Assets Management Limited as on 31st March, 2014 is Rs. 489.93 lacs (as on 31st March, 2013 Rs. 489.93 lacs)

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. 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.

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

36. Earning Per Share**I) Basic**

S. No.	Particulars	31 st March 2014	31 st March 2013
1	Opening No. of shares	40172500	40172500
2	Total Shares outstanding	40172500	40172500
3	Profit/ (Loss) after tax (Rs. Lacs)	12.56	(57.27)
4	Earning per Share (Rupees)	0.03	(0.14)

II) Diluted: None of the potential equity shares are dilutive.

37. The figures in the Balance Sheet and Profit & Loss Statement have been presented in Rupees Lacs and to the nearest thousand in terms of decimals. The approval of the Government of India for the same has been obtained under section 211(1) of the Companies Act, 1956.

38. As per the information available, there are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2014. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. (Previous Year: Rs. Nil).

39. Previous year figures have been regrouped / reclassified wherever necessary.

As per our report of even date attached.

For **N.M.Raiji & Co.**

Chartered Accountants

Firm Regn. No. 108296W

Sd/-

CA S.N. Shivakumar

Partner

Membership No. 088113

For and on behalf of the Board of Directors

Sd/-

P.K.Marwah

Manager

Sd/-

Pritam Narang

Director

Sd/-

Inder Mohan Sakhuja

Chairman

Place : Faridabad

Date : 21st May, 2014



	Rs. in Lacs	
	Year Ended 31st March 2014	Year Ended 31st March 2013
A Cash Flow from Operating Activities		
Net Profit/(Loss) Before tax & appropriations	12.56	(57.27)
Financial Expenses	0.10	0.55
Depreciation as per profit & loss A/c	0.20	0.37
Provision for Investments	-	1.25
Provision for Diminution in value of repossessed stock	0.12	0.29
Provision for Gratuity & Leave Encashment	0.37	0.30
(Profit)/Loss on sale of Assets (Net)	-	(0.02)
(Profit)/Loss on sale of Investments (Net)	-	-
Interest/Dividend received from investment activities	-	-
Excess Provision written back	(46.40)	(15.40)
Operating Profit before working Capital Changes	(33.05)	(69.93)
Adjustment for:		
(Increase)/Decrease in Repossesd Stock	-	-
(Increase)/Decrease in Trade Receivables	39.13	14.45
(Increase)/Decrease in Other Current Assets	(0.74)	3.43
Increase/(Decrease) in Current Liabilities & Provisions	135.79	398.54
Cash Generated From Operations	141.13	346.49
Financial Expenses	(0.10)	(0.55)
Cash Generated From Operations (A)	141.03	345.94
B Cash Flow from Investing activity		
Purchase of Fixed Assets	0.27	-
Sale of Fixed Assets	-	0.18
(Increase)/Decrease in Investments	-	-
Interest/Dividend Received	-	-
Net Cash Flow from Investing activity (B)	0.27	0.18
C Cash Flow from financing Operations		
Increase/(Decrease) in Fixed Deposits	(141.35)	(354.45)
Net cash used from Financing Activities (C)	(141.35)	(354.45)
Cash and Cash Equivalents at the beginning of the year	7.22	15.55
Net Increase in Cash and Cash Equivalentents (A+B+C)	(0.05)	(8.33)
Cash and Cash Equivalentents at the end of the year	7.17	7.22

As per our report of even date attached.

For **N.M.Raiji & Co.**

Chartered Accountants

Firm Regn. No. 108296W

For and on behalf of the Board of Directors

Sd/-

CA S.N. Shivakumar

Partner

Membership No. 088113

Sd/-

P.K.Marwah

Manager

Sd/-

Pritam Narang

Director

Sd/-

Inder Mohan Sakhuja

Chairman

Place : Faridabad

Date : 21st May, 2014

SCHEDULE TO THE BALANCE SHEET OF A NON-BANKING FINANCIAL COMPANY



As required in terms of paragraph 13 of Non-Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007

		(Rs. In lacs)	
Particulars			
LIABILITIES SIDE:			
(1) Loans and advances availed by the NBFCs inclusive of interest accrued there on but not paid:	Amount Outstanding	Amount Overdue	
(a) Debentures : Secured	Nil	Nil	
: Unsecured	Nil	Nil	
(Other than falling within the Meaning of public deposits)*			
(b) Deferred Credits	Nil	Nil	
(c) Term Loans	Nil	Nil	
(d) Inter-corporate loans and borrowings	Nil	Nil	
(e) Commercial Paper	Nil	Nil	
(f) Public Deposit*	1606.08	Nil	
(Refer Note No 25)			
(g) Other Loans			
WCDL, CC, LOC, etc	Nil	Nil	
Security Deposit from Borrowers	Nil	Nil	
* Please see Note 1 below			
(2) Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued there on but not paid):			
(a) In the form of Unsecured debentures	Nil	Nil	
(b) In the form of partly secured debentures I.e. debentures where there is a shortfall in the value of security	Nil	Nil	
(c) Other public deposits	1606.08	Nil	
ASSETS SIDE :			
(3) Break-up of Loans and Advances including bills receivables other than those included in (4) below:	Amount Outstanding		
(a) Secured	-		
(b) Unsecured	319.96#		
# Net of Bills Rediscounted of Rs.Nil lacs			
(4) Break-up of Leased Assets and stock on hire and hypothecation loans counting towards EL/HP activities:			
(i) Lease assets including lease rentals under sundry debtors:			
(a) Financial Lease	Nil		
(b) Operating Lease	Nil		
(ii) Stock on hire including hire charges under sundry debtors:			
(a) Asset on hire	Nil		
(b) Repossessed Assets	0.55		
(iii) Hypothecation loans counting towards EL/HP activities:			
(a) Loans where assets have been repossessed	Nil		
(b) Loans other than (a) above	Nil		
# Includes Loan cum Hypothecation Agreements.			
@ Net of provisions for Doubtful Debt.			
(5) Break-up of Investments :			
Current Investments :			
1 Quoted :			
(i) Shares: (a) Equity	Nil		
(b) Preference	Nil		
(ii) Debentures and Bonds	Nil		
(iii) Unit of mutual funds	Nil		
(iv) Government Securities	Nil		
(v) Other (Please specify)	Nil		
2 Unquoted :			
(i) Shares: (a) Equity	0.01		
(b) Preference	Nil		

(ii) Debentures and Bonds	Nil
(iii) Unit of mutual funds	Ni
(iv) Government Securities	Nil
(v) Other (Please specify)	Nil

Net of provisions

Long Term Investments

1 Quoted :			
(i) Shares: (a) Equity	Nil		
(b) Preference	Ni		
(ii) Debentures and Bonds	Nil		
(iii) Unit of mutual funds	Nil		
(iv) Government Securities	Ni		
(v) Other (Please specify)	Nil		
2 Unquoted :			
(i) Shares: (a) Equity	489.93		
(b) Preference	Nil		
(ii) Debentures and Bonds	Nil		
(iii) Unit of mutual funds	Nil		
(iv) Government Securities	Nil		
(v) Other (Please specify)	Ni		

(6) Borrower group-wise classification of all leased assets, stock on hire and loans and advances:

Please see Note 2 below

Category	Amount net of provisions		
	Secured	Unsecured	Total
1 Related Parties**			
(a) Subsidiaries	Nil	Nil	Nil
(b) Companies in the same group	Nil	Nil	Nil
(c) Other related parties	Nil	Nil	Nil
2 Other than related parties			
Total	0.55	319.96	320.51
Total	0.55	319.96	320.51

** As per Accounting Standard of ICAI (Please see Note 3)

(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

Category	Market Value/ Break-up or fair value or NAV		Book Value (net of Provisions)
	Market Value/ Break-up or fair value or NAV	Market Value/ Break-up or fair value or NAV	Book Value (net of Provisions)
1 Related Parties**			
(a) Subsidiaries	Nil	Nil	Nil
(b) Companies in the same group	489.94	489.94	489.94
(c) Other related parties	Nil	Nil	Nil
2 Other than related parties			
Total	489.94	489.94	489.94

** As per Accounting Standard of ICAI (Please see Note 3)

(8) Other Informations

Particulars		
(i) Gross Non-Performing Assets		
(a) Related Parties		Ni
(b) Other than related parties		Nil
(ii) Net Non-Performing Assets		
(a) Related Parties		Nil
(b) Other than related parties		Nil
(iii) Assets acquired in satisfaction of debt		188.47

Notes :

- 1 As defined in Paragraph 2(1)(xii) of Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- 2 Provisioning norms shall be applicable as prescribed in the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998.
- 3 All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debts. However, market value in respect of quoted investments and break-up/ fair value/ NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in column (5) above.



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: L65910CH1987PLC033652

I/ We hereby record my/ our presence at the **26th Annual General Meeting** of the Company being held at 3.00 P.M. on **Friday, September 26, 2014 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. August 22, 2014.**

----- 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 **26th Annual General Meeting (AGM)** of the Company to be held on **Friday, September 26, 2014 at 3.00 P.M. at Hotel K C Residency, SCO 377-380, Sector – 35B, Chandigarh – 160 035** and at any adjournment thereof in respect of such resolution(s) as mentioned in the Notice of AGM dated August 12, 2014.

Signed this ____ day of _____ 2014

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