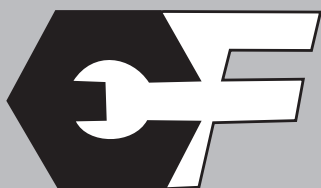




27<sup>th</sup>

**ANNUAL REPORT**

**2014-2015**



**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

### **Statutory Auditors**

M/s N. M. Raiji & Co.

### **Secretarial Auditors**

M/s Jayant Gupta & Associates

### **Internal Auditors**

M/s Jain Aarushi & Associates

### **Registered Office**

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

**CIN:** L65910CH1987PLC033652

**NOTICE**

Notice is hereby given that the **Twenty Seventh Annual General Meeting (AGM)** of Escorts Finance Limited will be held on **Tuesday, September 29, 2015 at 3.00 P.M.** at Hotel K C Residency, SCO 377- 380, Sector – 35 B, Chandigarh – 160 035 to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2015, the reports of the Board of Directors and Auditors' thereon.
2. To appoint a Director in place of Mr. Inder Mohan Sakhujia (DIN : 02260703) who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration and in this regard, to consider and if thought fit, to pass the following resolution as an "Ordinary Resolution":

**"Resolved That** M/s N. M. Rajji & Co., Chartered Accountants (Firm Registration No. 108296W), be and are hereby appointed as Statutory Auditors of the Company for the financial year 2015-16 and to hold office from the conclusion of the next Annual General Meeting of the Company at such remuneration as shall be fixed by the Board of Directors of the Company."

**NOTES:**

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

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

- 2) A copy of Annual Report containing Audited Financial Statements for the financial year ended March 31, 2015 together with the reports of the Board of Directors and Auditors' thereon are enclosed. Members are requested to bring their copy of Annual Report at the AGM.
- 3) **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.  
Recognising 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 e-mail address as registered with the Company/ your depositories. We request you to update your e-mail address with your Depositories Participant(s) to ensure that the Annual Report and other documents reach you on preferred e-mail address and the shareholders holding shares in physical mode may inform their e-mail address to the Company.
- 4) The Register of Members and Share Transfer Books of the Company will remain closed from September 22, 2015 to September 29, 2015 (both days inclusive).
- 5) Shareholders/ Proxy holders are requested to produce attached attendance slip duly completed and signed, at the shareholder registration counter of the AGM hall.
- 6) Members are informed that Share Transfer and related activities are being carried out by Alankit Assignments Limited, Registrar and Share Transfer Agents (Alankit RTA), from the following address: -

**ALANKIT ASSIGNMENTS LIMITED**

Alankit House  
1E/13, Jhandewalan Extension,  
New Delhi – 110 055  
Tel.- +91-11-42541953  
Fax: +91-11-23552001  
E-mail id: [rta@alankit.com](mailto:rta@alankit.com)

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



- 7) The Equity shares of the Company can only be traded in electronic mode w.e.f. June 26, 2000 as per SEBI guidelines. The Company has already entered into agreements with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) for the same. Interested members may opt to convert physical shares of the Company in electronic mode after sending request for dematerialisation through their Depository Participant.
  - 8) Members of the Company who are holding shares in physical form and have multiple accounts in identical name(s) or are holding more than one share certificate in the same name under different ledger folio(s) are requested to apply for consolidation of such folio(s).
  - 9) Section 72 of the Companies Act, 2013 and Rule 19 of the Companies (Share Capital & Debenture) Rules, 2014 has extended nomination facility to individual shareholders holding shares in physical form. Shareholders are requested to avail the above facility by submitting prescribed **Nomination Form SH-13** to Alankit RTA. This form is also available on the Company's website [www.escortsfinance.com](http://www.escortsfinance.com).
  - 10) Please send all correspondence including requests for transfer/ transmission of shares & change of address etc. to Alankit RTA.
  - 11) Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions in writing to the Company Secretary at least ten days before the date of the meeting, so that the required information may be made available at the meeting.
  - 12) Members who have not yet paid their "Allotment Money" are advised to send the same alongwith interest calculated @ 17% p.a. for delayed period i.e. from May 7, 1995 till the date of payment, through demand draft/ cheque payable at Delhi in favour of the Company, to avoid forfeiture.
  - 13) Pursuant to the requirements of the Listing Agreement with the Stock Exchange 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.
  - 14) Electronic copy of the Notice of AGM of the Company inter-alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose e-mail IDs are registered with the Company/ Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their e-mail address, physical copies of the Notice is being sent in the permitted mode.
  - 15) Members may note that the Notice of the AGM and the Annual Report for the financial year ended on March 31, 2015 will also be available on the Company's website [www.escortsfinance.com](http://www.escortsfinance.com). The physical copies of the aforesaid documents alongwith 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 3.00 P.M. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's e-mail id [escortsfinance@escorts.co.in](mailto:escortsfinance@escorts.co.in).
- 16) Voting through electronic means:-**
- I. In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and the revised Clause 35B of the Listing Agreement, the Company is pleased to provide to Members facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means i.e. Remote e-voting. The Company has appointed CDSL as the Authorised Agency to provide Remote e-voting facility for casting the votes by the members using an electronic voting system from a place other than venue of AGM ("Remote e-voting").
  - II. The facility for voting through Ballot Paper shall be made available at the venue of AGM and the Members who have not cast their vote by Remote e-voting shall be eligible to exercise their right at the AGM through Ballot Paper.
  - III. The Members who have already cast their votes by Remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again. It is hereby clarified that it is not mandatory for a Member to vote using the Remote e-voting facility.



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

**Instruction for Voting:-**

- A. In case of members receiving e-mail:
  - i. Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during Remote e-voting period.
  - ii. Click on "Shareholders" tab.
  - iii. Now, select the Electronic Voting Sequence Number – "EVSN" 150813003 along with "Escorts Finance Limited" from the drop down menu and click on "SUBMIT".
  - 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](http://www.evotingindia.com) and voted 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.

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

\*Members who have not updated 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 no. of shares held by you as on September 22, 2015 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 EVSN 150813003 for Escorts Finance Ltd.
- xii. On the voting page, you will see Resolution Description and against the same the option YES/ NO for voting. Select your desired option. 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 printout 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 [www.evotingindia.com](http://www.evotingindia.com) and register themselves, link their account which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and POA in favour of the Custodian who they have authorised to vote on their behalf, in PDF format in the system for the scrutinizer to verify the vote.
- B. In case of Members receiving the **physical copy of AGM Notice** {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 your vote.
- V. In case you have any queries regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - VI. The e-voting period commences on **Saturday, September 26, 2015 (9:00 am IST) and ends on Monday, September 28, 2015 (5:00 pm IST)**. During this period, Members of the Company, holding shares either in physical form or in dematerialised form, as on the **cut-off date i.e. September 22, 2015**, may cast their vote electronically. The Name of Escorts Finance Limited shall be disabled by CDSL for voting thereafter from their e-voting module.
  - VII. The voting rights of Members shall be in proportion to their share in the Paid-up Equity Capital of the Company as on the cut-off date i.e. **September 22, 2015**.
  - VIII. **Members can opt for only one mode of voting i.e.** either by Remote e-voting or physically at the AGM venue through Ballot Paper. In case you are opting for Remote e-voting then do not vote by physical mode at AGM venue and vice-versa. In case members cast their vote both via physical as well as e-voting then voting done through physical mode shall not prevail and voting done by e-voting shall be considered as valid vote.
  - IX. Mr. Jayant Gupta, Practicing Company Secretary (Membership No. F7288) has been appointed as the Scrutinizer to scrutinize the voting process in a fair and transparent manner.
  - X. The Scrutinizer shall, after the conclusion of voting at the AGM, will first count the votes cast at the meeting and there after unblock the votes cast through Remote e-voting in the presence of at least 2 (two) witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of AGM, a Consolidated Scrutinizer's Report of the total votes cast in favour or against, (if any), to the Chairman of the Company or a person authorised by him in writing, who shall counter sign the same and declare the results of the voting forthwith.
  - XI. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website [www.escortsfinance.com](http://www.escortsfinance.com) and on the website of CDSL at [www.evotingindia.com](http://www.evotingindia.com) immediately after the result is declared by the Chairman. The Company shall also simultaneously forward the results to BSE Limited where its shares are listed.
- 17) 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 13, 2015**

Sd/-  
**Vicky Chauhan**  
**Company Secretary**



Your Directors are pleased to present the Twenty Seventh Annual Report, together with the Audited Accounts of the Company for the financial year ended March 31, 2015 and the Auditors' Report thereon.

**Financial Results**

**(Rs. In Lacs)**

Particulars	Financial Year ended March 31, 2015	Financial Year ended March 31, 2014
Gross Income	<b>43.21</b>	<b>73.07</b>
Profit/ (Loss) before write off, provisions & tax	<b>(8.68)</b>	<b>12.56</b>
Tax adjustment for earlier years	-	-
Profit/ (Loss) after Tax	<b>(8.68)</b>	<b>12.56</b>

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

**Dividend**

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

**Public Deposits**

An amount of Rs. 248.68 Lacs has been paid to the Fixed Deposit holders during the financial year ended March 31, 2015. As on the said date, there is an unclaimed/ unpaid fixed deposit liability of Rs. 1357.40 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, 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 also resulted into their inability to give cheaper finance.

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

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

**(iv) Future Outlook**

The Company is presently engaged in recovery of delinquent loan assets and settlement of old legal cases filed by/ against the Company. Application made to RBI for deregistration as NBFC is pending, however, certificate of registration has been surrendered. Pending completion of deregistration formalities and recovery of loan assets, the possibilities of venturing into newer business areas shall be examined subsequently.

**(v) Risks and Concerns**

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

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

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



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

The loss for the year after write offs/ provisions etc. and tax amounts to Rs. 8.68 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. Inder Mohan Sakhuja, Director retires by rotation at the ensuing Annual General Meeting of your Company, and being eligible, offers himself for re-appointment.

Your Directors recommend the re-appointment of Mr. Inder Mohan Sakhuja at the ensuing Annual General Meeting.

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

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

### **Corporate Governance**

Your Company reaffirms its commitment to the good corporate governance practices and has adopted the Code of Conduct which has set out the systems, processes and policy conforming to established standards. Pursuant to 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 – B** and forms an integral part of this Report.

### **Auditors**

M/s. N.M. Rajji & 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 letter from M/s. N.M. Rajji & 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 shares 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.





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

- a) Please refer to note 25 of the Notes to Accounts forming part of Balance Sheet which is self-explanatory and does not call for any further comments.
- b) The Company filed all its RBI returns and forms with provisional figures within prescribed time and thereafter, audited numbers were filed with the RBI post audit.

### **Directors' Responsibility Statement**

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

- (i) in the preparation of the annual accounts for the year ended March 31, 2015, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2015 and of the loss of the Company for the year under review;
- (iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the Directors had prepared the annual accounts for financial year ended March 31, 2015 on a 'going concern' basis;
- (v) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- (vi) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **Particulars of Employees**

None of the employees of your Company is in receipt of remuneration requiring disclosure pursuant to the provisions of Section 197(12) of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014; hence no such particulars are annexed.

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

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

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

#### **I. Conservation of Energy**

Your Company being engaged in financing business and does not have 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.



## **Disclosures**

### **Meetings of the Board**

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

### **Extracts of Annual Return**

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

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

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

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

No contract/ arrangements/ transactions were entered by the Company during the financial year with related parties. During the year, the Company had not entered into any contract/ arrangement/ transaction with related parties which could be considered material in accordance with the policy of the Company on the materiality of related party transactions. The particulars of contracts and arrangement with related parties under section 188(1) in Form AOC-2 is enclosed as **Annexure–E**.

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

Your Directors draw attention of the members to Note 32 to the financial statement which sets out related party disclosures.

### **Secretarial Auditors**

The Board of Directors of the Company has appointed M/s Jayant Gupta and Associates, Practicing Company Secretaries to conduct secretarial audit of the Company for the financial year 2014-15. The Secretarial Audit Report for the financial year ended March 31, 2015 is enclosed as **Annexure – F** and forms an integral part of this Report.

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

### **Internal Financial Controls**

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

### **Risk Management**

During the year, your Directors have constituted a Risk Management Committee which has been entrusted with the responsibility to assist the Board in (a) overseeing and approving the Company's enterprise wide risk management framework; and (b) Overseeing that all the risks that the organisation faces such as strategic, financial, credit, market, liquidity, legal, regulatory and other risks have been identified and assessed and there is an adequate risk management infrastructure in place capable of addressing those risks. The Risk Management Policy was reviewed and approved by the Committee.

### **Acknowledgement**

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

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

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

**Place: Faridabad**  
**Dated: August 13, 2015**

Sd/-  
**Inder Mohan Sakhuja**  
**Chairman**



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

### **Introduction**

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

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

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

### **Criteria for Board Membership**

#### **Directors**

The Company shall take into account following points:

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

#### **Independent Director**

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

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

### **Appointment and Remuneration**

#### **Directors**

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

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

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

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

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

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

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

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

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

#### **Evaluation Criteria**

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



## **I. Company's Philosophy on Corporate Governance**

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

In India, the question of Corporate Governance has emerged mainly in the wake of economic 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 imbedded 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**

### **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, 2015, the Company's Board comprised of four (4) Directors out of which two (2) are Independent Non-Executive Directors. Chairman of the Board is also 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:

- are persons of integrity and possesses relevant expertise and experience in the opinion of the Board;
- are or were not promoter of the Company or its holding, subsidiary or associate Company;
- are or were not related to promoters or directors in the Company, its holding, subsidiary or associate Company;
- apart from receiving director's remuneration, do not have any material pecuniary relationships with the Company, its holding Company, its subsidiaries and associates, or its promoters or directors during the two immediately preceding financial years or during the current financial year;
- none of their relative have any pecuniary relationship or transaction with the Company, its holding, subsidiary or associate Company or its promoters or directors, amounting to 2% or more of its gross turnover or total income or fifty lakh rupees during the two immediately preceding financial years or during the current financial year;



- neither himself/ themselves nor their relative –
  - o are or were holding the position of key managerial personnel or are or were employee of the Company or its holding, subsidiary or associate Company in immediately preceding 3 financial years;
  - o have been an employee or proprietor or a partner in immediately preceding 3 financial years of
    - a) a firm of auditors or company secretaries in practice or cost auditors of the Company or its holding, subsidiary or associate Company; or
    - b) any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate Company amounting to 10% or more of the gross turnover of such firm;
  - o hold together with their relatives 2% or more of the total voting power of the Company;
  - o is a Chief Executive or Director by whatever name called, of any non-profit organization that receives 25% or more of its receipts from the Company, any of its promoters, directors or its holding, subsidiary or associate Company or that holds 2% or more of the total voting power of the Company;
  - o are material supplier, service provider or customer or lessor or lessee 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 Stakeholders' Relationship 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.

### **Board Meetings**

During the year ended on March 31, 2015 the Board of Directors met four (4) times on May 21, 2014, August 12, 2014, November 7, 2014 and February 12, 2015.

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

### **Code of Conduct**

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

The Board members and Senior Management personnel of the Company have affirmed their compliance with the code. A declaration to this effect signed by the Manager 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, 2015.

Place: Faridabad

Dated: August 13, 2015

Sd/-

**P.K. Marwah**  
Manager

## Whistle Blower Policy

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

## III. Audit Committee

### Constitution

As on March 31, 2015 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 the requirements of Section 177 of the Companies Act, 2013 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 and reporting practices of the Company and its compliance with the legal & regulatory requirements. The Committee's purpose is to oversee the accounting and financial reporting statements, the appointment, independence, performance and remuneration of the Statutory Auditors and the performance of Internal Auditors of the Company.

### Terms of Reference

The Charter of the Committee is as prescribed under Section 177 of the Companies Act, 2013 read with Clause 49 of the Listing Agreement viz.:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditors and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the Directors' Responsibility Statement forming part of Board's Report in terms of Clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
  - Changes, if any, in accounting policies and practices and reasons for the same.
  - 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 and monitoring the auditors independence & performance, and effectiveness of audit process.
  8. Approval or any subsequent modification of transactions of the Company with related parties.
  9. Scrutiny of inter-corporate loans and investments.
  10. Valuation of undertakings or assets of the Company, wherever it is necessary.
  11. Evaluation of internal financial controls and risk management systems.
  12. Reviewing, with the management, performance of statutory & internal auditors, adequacy of the internal control systems.
  13. Reviewing the adequacy of internal audit function, if any, including the structure of internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
  14. Discussion with internal auditors of any significant findings and follow up thereon.
  15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
  16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
  17. Investigating the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
  18. To review the functioning of the Whistle Blower mechanism.
  19. Approving the appointment of Chief Financial Officer (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
  20. Reviewing any changes in the accounting policies or practices as compared to the last completed financial year and commenting on any deviation from the Accounting Standards.
  21. Carrying out any other function as may be referred to the committee by the Company's Board of Directors and/ or other Committees of Directors of the Company from time to time.
  22. Recommending to the Board, the terms of appointment, re-appointment and, if required, the replacement or removal of the Cost Auditors.
  23. The Committee has systems and procedures in place to ensure that the Audit Committee immediately reviews:
    - a. Management discussion and analysis of financial condition and results of operations;
    - b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
    - c. Management letters/ letters of internal control weaknesses issued by the statutory auditors;
    - d. Internal audit reports relating to internal control weaknesses, if any;
    - e. Appointment, removal and terms of remuneration of the Chief Internal Auditor;
    - f. The Financial Statements, in particular, the investments made by the unlisted subsidiaries of the Company, in view of the requirements under Clause 49.



- g. Details of material individual transactions with related parties, which are not in the normal course of business; and
- h. Details of material individual transactions with related parties or others, if any, which are not on arm's length basis, along with management's justification for the same.

The Audit Committee is endowed with the following powers:

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

#### **Meeting & Attendance**

During the financial year 2014 -15, Audit Committee met four (4) times on May 21, 2014, August 12, 2014, November 7, 2014 and February 12, 2015.

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 26, 2014 was attended by the Chairman of the Committee Mr. Rochak Puri, to answer shareholders query.

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

##### **Constitution**

During the financial year 2014-15 ended on March 31, 2015, the Nomination and Remuneration Committee has been constituted by inducting Mr. Rochak Puri as Chairman, Ms. Preeti Chauhan and Mr. Pritam Narang as members of the Committee w.e.f. November 7, 2014.

The Nomination and Remuneration Committee comprises of following Non-Executive Directors:

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

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

The Charter of the Committee is as prescribed under Section 178 of the Companies Act, 2013 read with Clause 49 of the Listing Agreement viz.:

- 1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- 2. Formulation of criteria for evaluation of Independent Directors and the Board;
- 3. Devising a policy on Board diversity;
- 4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The Company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

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

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





### **Meeting & Attendance**

During the financial year 2014-15, one meeting of Nomination and Remuneration Committee was held on February 12, 2015 which was attended by all the members of the Committee.

### **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, 2014 to March 31, 2015 are as under:

<b>S.No.</b>	<b>Name of Member</b>	<b>Relationship with other Directors</b>	<b>Sitting Fees (in Rs.)</b>
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
<b>Total</b>			<b>56,000</b>

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

### **Shareholding of Non-Executive Directors of Company**

As on March 31, 2015, none of the Non-Executive Directors of the Company held any share in the Company.

## **V. Stakeholders' Relationship Committee**

### **Constitution**

The Stakeholders' Relationship Committee comprises of the following Directors:

<b>Name of Member</b>	<b>Designation</b>	<b>Category</b>
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

### **Terms of Reference**

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

The Committee additionally oversees the performance of Alankit RTA and recommends measures for overall improvement in the quality and promptness in investors services.

### **Meetings and Attendance**

During the financial year 2014-15, 4 (Four) meetings of the Stakeholders' Relationship Committee were held on May 21, 2014, August 12, 2014, November 7, 2014 and February 12, 2015.

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

<b>Name of Member</b>	<b>Number of meeting</b>	
	<b>Held</b>	<b>Attended</b>
Mr. Rochak Puri	4	4
Mr. Inder Mohan Sakhuja	4	4
Mr. Pritam Narang	4	4



### **Compliance Officer**

Mr. Vicky Chauhan, Company Secretary the Compliance Officer of the Company as per the requirements of the Listing Agreement

### **Manager**

Mr. P.K. Marwah is the Manager of the Company as per Section 203 of the Companies Act, 2013.

### **Complaints received/ resolved**

During the year under review, three (3) complaints were received from investors, which were replied/ resolved to the satisfaction of the investors. No complaint(s) were pending for redressal for the year 2014-15 as on the date of this report.

### **Pending Share Transfer**

No request for transfer and/ or dematerialization was pending for redressal as on March 31, 2015.

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

<b>Financial Year</b>	<b>Venue</b>	<b>Date</b>	<b>Time</b>	<b>No. of Special Resolution passed at AGM</b>
2013 - 14	Hotel KC Residency, SCO-377-380, Sector-35B, Chandigarh-160022	Friday , September 26, 2014	3:00 P.M.	One
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

### **Special Resolution passed through Postal Ballot**

During the financial year 2014-15, the Company has not passed any Special Resolution through Postal Ballot.

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

## **VIII. DISCLOSURES**

- a. There are no materially significant related party transactions of the Company which have potential conflict with the interests of the Company at large.
- 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 adopted Whistle Blower Policy during the financial year 2014-15. However, no person has been denied access to the Audit Committee.
- d. Details of the compliance with mandatory requirement 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 2014-15.

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

- For Quarter ended 30.06.14: Financial Express (English), Jansatta (Hindi).
- For Quarter ended 30.09.14: Financial Express (English), Jansatta (Hindi).
- For Quarter ended 31.12.14: Financial Express (English), Jansatta (Hindi).
- For Year ended 31.03.15: Financial Express (English), Jansatta (Hindi).

The Quarterly/ yearly Results were displayed on Company's website viz. [www.escortsfinance.com](http://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 Union Territory of Chandigarh, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L65910CH1987PLC033652.

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

Day & Date : Tuesday, September 29, 2015  
Time : 3:00 P.M.  
Venue : Hotel KC Residency,  
SCO 377-380, Sector – 35B,  
Chandigarh – 160 035

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

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

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

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

<b>Name and DIN</b>	<b>Qualification</b>	<b>Area of Expertise</b>	<b>Other Directorships</b>	<b>Committee Memberships</b>
Inder Mohan Sakhuja DIN : 02260703	Mechanical Engineer	Mr. I. M. Sakhuja is having more than 50 years experience in the industrial fasteners and auto ancillary industry.  Mr. Sakhuja is holding the position of Chairman of Jayalaxmi Automotives Pvt.Ltd., which is engaged in manufacture of gears.	Jayalaxmi Automotives Pvt. Ltd.	<b>Escorts Finance Limited</b> • Stakeholders' Relationship Committee - <b>Member</b>  • Share Transfer Committee - <b>Chairman</b>  • Committee of Banking and Legal Matter - <b>Member</b>  • Risk Management Committee- <b>Chairman</b>



**(v) Financial Calendar 2015-16 (tentative)**

Meetings of Board/ Committee thereof to take on record	:	
Financial results for quarter ended June 30, 2015	:	By August 14, 2015
Financial results for quarter ended September 30, 2015	:	By November 14, 2015
Financial results for quarter ended December 31, 2015	:	By February 14, 2016
Financial results for quarter ended March 31, 2016	:	By May 15, 2016

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, 2016**: By September 30, 2016.

**(vii) Book Closure**

The members register will be closed from September 22, 2015 to September 29, 2015 (both days inclusive) for the purpose of Annual General Meeting.

**(viii) Dividend**

The Board of Directors have not recommend any dividend for the current year.

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

September 22, 2015 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:

<b>Stock Exchange</b>	<b>Stock Code</b>
BSE Limited	511716
Demat ISIN no. in NSDL & CDSL	INE359A01012

The Company has paid the Annual Listing Fees till date.

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

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

**(xii) Share Transfer System**

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

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



### (xiii) Monthly Stock Market Data

Monthly high and low prices (based on daily closing prices) of Company's Shares at BSE for the financial year ended on March 31, 2015 were as follows:

Month	High		Low	
	BSE Sensex (in Rs.)	Share price (in Rs.)	BSE Sensex (in Rs.)	Share price (in Rs.)
April 2014	22,939.31	4.19	22,197.51	3.31
May 2014	25,375.63	3.97	22,277.04	2.71
June 2014	25,725.12	5.52	24,270.20	4.16
July 2014	26,300.17	5.21	24,892.00	3.47
August 2014	26,674.38	3.59	25,232.82	2.93
September 2014	27,354.99	4.91	26,220.49	3.21
October 2014	27,894.32	4.91	25,910.77	3.41
November 2014	28,822.37	9.80	27,739.56	3.60
December 2014	28,809.64	8.80	26,469.42	5.17
January 2015	29,844.16	7.90	26,776.12	4.80
February 2015	29,560.32	5.76	28,044.49	4.95
March 2015	30,024.74	5.24	27,248.45	3.65

### (xiv) Distribution of Shareholding as on March 31, 2015

No. of shares	No. of shareholders	No. of shares held	% of Total
Upto 100	20568	1801313	4.475
101 to 500	3308	989302	2.458
501 to 1000	733	637500	1.584
1001 to 5000	552	1316073	3.27
5001 to 10000	89	674550	1.676
10001 to 20000	34	484847	1.205
20001 to 30000	11	289370	0.719
30001 to 40000	3	107716	0.268
40001 to 50000	1	50000	0.124
50001 to 100000	3	216285	0.537
100001 to 500000	1	151322	0.376
500001 and above	7	33531722	83.309
<b>TOTAL</b>	<b>25310</b>	<b>40250000</b>	<b>100.000</b>

**(xv) Shareholding Pattern as on March 31, 2015**

Category	No. of Share-holders	No. of Shares held	% to the Capital
<b>Promoter &amp; Promoter Group:</b>			
a) Indian	7	28003178	69.573
b) Foreign	NIL	NIL	NIL
<b>Public Shareholding Institutions:</b>			
a) Mutual Funds & UTI	1	200	0.00
b) Banks/ Fis	1	4800	0.012
c) FIIs/ VCs etc.	NIL	NIL	NIL
<b>Non Institutions:</b>			
a) Private Bodies Corporate	208	6181804	15.359
b) Indian Public	25075	6032545	14.988
c) NRIs/ OCBs etc.	18	27473	0.068
<b>TOTAL</b>	<b>25310</b>	<b>40250000</b>	<b>100.00</b>

**(xvi) Dematerialisation**

As on March 31, 2015 dematerialised shares accounted for 95.53% (95.48% up to March 31, 2014) of the total equity shares.

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

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

**(xviii) Plant Location**

There is no manufacturing location for the Company.

**(xix) Address for correspondence:**

Company Secretary  
Escorts Finance Limited  
Escorts Corporate Centre  
15/5, Mathura Road  
Faridabad – 121 003  
Tel:(0129) 2564116  
Fax:(0129) 2250060  
Email id:- [escortsfinance@escorts.co.in](mailto:escortsfinance@escorts.co.in)

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

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

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

Place: Faridabad  
Dated: August 13, 2015

Sd/-  
**Inder Mohan Sakhuja**  
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 year ended on March 31, 2015.

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 that:

- a. We have reviewed the financial statements and the cash flow statement of Escorts Finance Limited for the financial year ended March 31, 2015 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 proposed 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
  - iii. instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Faridabad  
Dated: August 13, 2015

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, 2015, 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, 2015 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

Place: Faridabad  
Dated: August 13, 2015

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



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

- (i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2014-15, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2014-15, and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

S. No.	Name of Director/ KMP and Designation	Remuneration of Director/ KMP for the financial year 2014-15 (Rs. In lacs)	% Increase in Remuneration in the financial year 2014-15	Ratio of remuneration of each Director/ to median remuneration of employees
1.	Mr. Inder Mohan Sakhuja, Chairman and Non-Executive Director	0.08	0	0.04
2.	Mr. Pritam Narang, Non-Executive Director	0.16	0	0.08
3.	Mr. Rochak Puri, Non-Executive Director	0.16	0	0.08
4.	Ms. Preeti Chauhan, Non-Executive Director	0.16	0	0.08
5.	Mr. P.K. Marwah, Manager	0	0	Not Applicable
6.	Mr. Donald Fernandez, Chief Financial Officer	5.67	48.82%	
7.	Mr. Vicky Chauhan, Company Secretary	0	0	

- (ii) The median remuneration of employees of the Company during the financial year was Rs. 2.11 lacs.
- (iii) In the financial year, there was an increase of 45.52% in the median remuneration of employees.
- (iv) There were 3 permanent employees on the rolls of the Company as on March 31, 2015.
- (v) Relationship between average increase in remuneration and Company performance: The Company incurred a loss of Rs. 8.68 Lacs during the financial year ended March 31, 2015 against a profit of Rs. 12.56 Lacs during the financial year ended March 31, 2014. The increase in median remuneration was 45.52%.
- (vi) Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company: The total remuneration of Key Managerial Personnel increased by 48.82% from Rs. 3.81 lacs in 2013-14 to Rs. 5.67 lacs in 2014-15 whereas the Company incurred a loss of Rs. 8.68 Lacs in 2014-15 (Profit of Rs. 12.56 Lacs in 2013-14).





- (vii) a) Variations in the market capitalisation of the Company: The market capitalisation as on March 31, 2015 was Rs. 1678.43 lacs (Rs. 1332.28 lacs as on March 31, 2014).
  - b) Price Earnings ratio of the Company was -208.50 as at March 31, 2015 and was 110.33 as at March 31, 2014
  - c) Percent increase over/ decrease in the market quotations of the shares of the Company as compared to the rate at which the company came out with the last public offer in the year- The Company had come out with initial public offer (IPO) in 1995. An amount of Rs. 6000 invested in the said IPO has been decreased to Rs. 417 as on March 31, 2015 excluding dividend amount.
- (viii) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2014-15 was 45.52% whereas no managerial remuneration was paid during the financial year.
- (ix) The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel, Senior Management and other Employees.
- (x) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year – Not Applicable; and
- (xi) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

**Form No. MGT-9****EXTRACT OF ANNUAL RETURN**

as on the financial year ended on March 31, 2015

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

**I. REGISTRATION AND OTHER DETAILS:**

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

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

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

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

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

S.NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	Escorts Asset Management Limited 11, Scindia House, Connaught Circus, New Delhi – 110 001	U74899DL1995PLC074265	Associate	48.99%	Section 2(6) of the Companies Act, 2013



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

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

Category of Shareholders	No. of Shares held at the beginning of the year (As on April 1, 2014)				No. of Shares held at the end of the year (As on March 31, 2015)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1)Indian									
a) Individual/ HUF	61000	0	61000	0.152	61000	0	61000	0.152	0.000
b) Central Govt	0	0	0	0.000	0	0	0	0.000	0.000
c) State Govt (s)	0	0	0	0.000	0	0	0	0.000	0.000
d) Bodies Corp.	4444700	0	4444700	11.043	4444700	0	4444700	11.043	0.000
e) Banks/ FI	0	0	0	0.000	0	0	0	0.000	0.000
f) Other - Trust	23497478	0	23497478	58.379	23497478	0	23497478	58.379	0.000
<b>Sub-total (A) (1)</b>	<b>28003178</b>	<b>0</b>	<b>28003178</b>	<b>69.573</b>	<b>28003178</b>	<b>0</b>	<b>28003178</b>	<b>69.573</b>	<b>0.000</b>
(2)Foreign									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0.000
b) Other –Individuals	0	0	0	0	0	0	0	0	0.000
c) Bodies Corp.	0	0	0	0	0	0	0	0	0.0000
d) Banks / FI	0	0	0	0	0	0	0	0	0.000
e) Others	0	0	0	0	0	0	0	0	0.000
<b>Sub-total (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.000</b>
<b>Total Shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>28003178</b>	<b>0</b>	<b>28003178</b>	<b>69.573</b>	<b>28003178</b>	<b>0</b>	<b>28003178</b>	<b>69.573</b>	<b>0.000</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	200	200	0.000	0	200	200	0.000	0.000
b) Banks/ FI	837166	4800	841966	2.092	0	4800	4800	0.012	-2.080
c) Central Govt	0	0	0	0.000	0	0	0	0	0.000
d) State Govt(s)	0	0	0	0.000	0	0	0	0	0.000
e) Venture Capital Funds	0	0	0	0.000	0	0	0	0	0.000
f) Insurance Companies	0	0	0	0.000	0	0	0	0	0.000
g) FIIs	0	0	0	0.000	0	0	0	0	0.000
h) Foreign Venture Capital Funds	0	0	0	0.000	0	0	0	0	0.000
i) Others	0	0	0	0.000	0	0	0	0	0.000
<b>Sub-total (B)(1)</b>	<b>837166</b>	<b>5000</b>	<b>842166</b>	<b>2.092</b>	<b>0</b>	<b>5000</b>	<b>5000</b>	<b>0.012</b>	<b>-2.080</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	5971905	14700	5986605	14.874	6167104	14700	6181804	15.359	0.485
ii) Overseas	0	0	0	0.000	0	0	0	0.000	0.000
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	2966866	1798367	4765233	11.839	3390431	1780463	5170894	12.847	1.008
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	634954	0	634954	1.578	861651	0	861651	2.141	0.563
c) Others - NRI	17864	0	17864	0.044	27473	0	27473	0.068	0.024
<b>Sub-total (B)(2)</b>	<b>9591589</b>	<b>1813067</b>	<b>11404656</b>	<b>28.335</b>	<b>10446659</b>	<b>1795163</b>	<b>12241822</b>	<b>30.414</b>	<b>2.080</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>10428755</b>	<b>1818067</b>	<b>12246822</b>	<b>30.427</b>	<b>10446659</b>	<b>1800163</b>	<b>12246822</b>	<b>30.427</b>	<b>0.000</b>
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0.000
<b>Grand Total (A+B+C)</b>	<b>38431933</b>	<b>1818067</b>	<b>40250000</b>	<b>100</b>	<b>38449837</b>	<b>1800163</b>	<b>40250000</b>	<b>100</b>	<b>0.000</b>



## (ii) Shareholding of Promoters

Sl No.	Promoter's Name	Shareholding at the beginning of the year (As on April 1, 2014)			Share holding at the end of the year (As on March 31, 2015)			% Change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Nitasha Nanda	900	0.002	0	900	0.002	0	-
2	Rajan Nanda with Ritu Nanda	30000	0.075	0	30000	0.075	0	-
3	Rajan Nanda with Nitasha Nanda	30000	0.075	0	30000	0.075	0	-
4	Ritu Nanda	100	0.000	0	100	0.000	0	-
5	Escorts Benefit & Welfare Trust	23497478	58.379	0	23497478	58.379	0	-
6	Escorts Limited	3819700	9.490	0	3819700	9.490	0	-
7	Escorts Securities Limited	625000	1.553	0	625000	1.553	0	-
	Total	28003178	69.573	0	28003178	69.573	0	-

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

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding (No.)	Reason	Cumulative Shareholding during the year (1-04-2014 to 31-03-2015)	
		No. of shares at the beginning (1-04-2014)/ end of the year (31-03-2015)	% of total shares of the Company				No. of shares	% to total shares of the Company
Not Applicable								

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

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding (No.)	Reason	Cumulative Shareholding during the year (1-04-2014 to 31-03-2015)	
		No. of shares at the beginning (1-04-2014)/ end of the year (31-03-2015)	% of total shares of the Company				No. of shares	% to total shares of the Company
1	Ajay Dilkush Sarupriya	89105	0.22	1-04-2014				
		89105	0.22	31-03-2015			89105	0.22
2	Snehalatha Singhi	66135	0.16	1-04-2014				
		66135	0.16	31-03-2015			66135	0.16
3	Pawan Kumar Bansal	47451	0.12	1-04-2014				
				28-11-2014	-47451	Sale	0	-
		0	-	31-03-2015			0	-
4	Ajay Vir Jakhar	61045	0.15	1-04-2014				
		61045	0.15	31-03-2015			61045	0.15
5	Matrix Insurance Brokers Pvt. Ltd.	1207500	3.00	1-04-2014				
		1207500	3.00	31-03-2015			1207500	3.00



Contd...

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

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding (No.)	Reason	Cumulative Shareholding during the year (1-04-2014 to 31-03-2015)	
		No. of shares at the beginning (1-04-2014)/ end of the year (31-03-2015)	% of total shares of the Company				No. of shares	% to total shares of the Company
6	IFCI Ltd	837166	2.08	1-04-2014				
				30-06-2014	-5871	Sale	831295	2.07
				11-07-2014	-254		831041	2.06
				25-07-2014	-2300		828741	2.06
				1-08-2014	-5735		823006	2.04
				8-08-2014	-15021		807985	2.01
				15-08-2014	-7480		800505	1.99
				22-08-2014	-18453		782052	1.94
				29-08-2014	-19600		762452	1.89
				5-09-2014	-48229		714223	1.77
				12-09-2014	-29755		684468	1.70
				19-09-2014	-44557		639911	1.59
				30-09-2014	-2091		637820	1.58
				10-10-2014	-30415		607405	1.51
				17-10-2014	-10061		597344	1.48
				24-10-2014	-9265		588079	1.46
		31-10-2014	-41672		546407	1.36		
		7-11-2014	-8546		537861	1.34		
		14-11-2014	-537861		0	-		
		0	-	31-03-2015	0	0	-	
7	Gala Trading Pvt. Ltd.	1213076	3.01	1-04-2014				
		1213076	3.01	31-03-2015			1213076	3.01
8	Escorts Automotives Pvt. Ltd.	151322	0.38	1-04-2014				
		151322	0.38	31-03-2015			151322	0.38
9	Diamond Leasing and Finance Ltd.	2000000	4.97	1-04-2014				
		2000000	4.97	31-03-2015			2000000	4.97
10	B R Holdings Pvt. Ltd.	1168968	2.90	1-04-2014				
		1168968	2.90	31-03-2015			1168968	2.90

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

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding (No.)	Reason	Cumulative Shareholding during the year (1-04-2014 to 31-03-2015)	
		No. of shares at the beginning (1-04-2014)/ end of the year (31-03-2015)	% of total shares of the Company				No. of shares	% to total shares of the Company
Not Applicable								



## V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits (Rs. in Lacs)	Total Indebtedness (Rs. in Lacs)
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	-	-	1596.55	1596.55
ii) Interest due but not paid	-	-	9.53	9.53
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	1606.08	1606.08
<b>Change in Indebtedness during the financial year</b>				
• Addition	-	-	-	-
• Reduction	-	-	248.68	248.68
<b>Net Change</b>	-	-	(248.68)	(248.68)
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	-	-	1349.07	1349.07
ii) Interest due but not paid	-	-	8.33	8.33
iii) Interest accrued but not due	-	-	-	-
<b>Total(i+ii+iii)</b>	-	-	1357.40	1357.40

## VI. Remuneration of Directors and Key Managerial Personnel

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

Sl. No.	Particulars of Remuneration	Mr. P.K. Marwah	Total Amount (In Rs.)
1	<b>Gross Salary</b>		
	a. Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	-	-
	b. Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-
	c. Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission		
	-as % of profit	-	-
	-others	-	-
5	Others	-	-
	<b>Total</b>	-	-
	<b>Overall Ceiling as per the Act</b>	<b>The Company incurred a loss of Rs. 8.68 Lacs during the year ended March 31, 2015</b>	


**B. Remuneration to Other Directors**
**(Rs. in Lacs)**

Sl. No.	Particulars of Remuneration	Name of Directors		Total Amount
		Mr. Rochak Puri	Ms. Preeti Chauhan	
1	<b>Independent Directors</b>			
	• Fee for attending Board/ Committee Meetings	0.16	0.16	0.32
	• Commission	-	-	-
	• Others	-	-	-
	<b>Total (1)</b>	<b>0.16</b>	<b>0.16</b>	<b>0.32</b>
2	<b>Other Non-Executive Directors</b>	<b>Mr. Inder Mohan Sakhuja</b>	<b>Mr. Pritam Narang</b>	<b>Total Amount</b>
	• Fee for attending Board/ Committee Meetings	0.08	0.16	0.24
	• Commission	-	-	-
	• Others: Professional Fee	-	-	-
	<b>Total (2)</b>	<b>0.08</b>	<b>0.16</b>	<b>0.24</b>
	<b>Total (B) = (1+2)</b>	<b>0.24</b>	<b>0.32</b>	<b>0.56</b>
	<b>Total Managerial Remuneration</b>			<b>0.56</b>
	<b>Overall Ceiling as per the Act</b>	<b>The Company incurred a loss of Rs. 8.68 Lacs during the year ended March 31, 2015</b>		

**C. Remuneration to Key Managerial Personnel (KMP) other than MD/ Manager/ WTD**
**(Rs. in Lacs)**

Sl. No.	Particulars of Remuneration	Mr. Donald Fernandez	Mr. Vicky Chauhan	Total Amount
1	<b>Gross Salary</b>			
	a. Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	5.67	-	5.67
	b. Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-
	c. Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	-as % of profit	-	-	-
	-others	-	-	-
5	Others	-	-	-
	<b>Total</b>	<b>5.67</b>	<b>-</b>	<b>5.67</b>



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

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

## Annexure-E

### Form No. AOC-2

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

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

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

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

Place: Faridabad  
Dated: August 13, 2015

**Inder Mohan Sakhujia**  
Chairman





**FORM NO. MR-3**  
**Secretarial Audit Report**

(For the Financial Year ended March 31, 2015)

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

To,

**The Members**

**ESCORTS FINANCE LIMITED**

**SCO - 198-200, Second Floor, Sector - 34A,  
Chandigarh - 160022**

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

Based on my verification of Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by EFL for the period ended on March 31, 2015 according to the provisions of:
  - I. The Companies Act, 2013 (**the Act**) and the Rules made thereunder;
  - II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
  - III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
  - V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
    - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
    - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
    - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
    - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
    - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
    - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
    - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
  - VI. I further report that, having regard to the compliance system prevailing in the Company and based on the representation made by the management of the Company and on examination of the relevant documents and records in pursuance thereof, the Company has complied with the following laws applicable specifically to the Company:
    - (a) RBI Act, 1934;
    - (b) Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998 (as amended from time to time);
    - (c) Non-Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007;

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

- (i) The Listing Agreements entered into by the Company with Bombay Stock Exchange.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

- a) At the end of financial year March 31, 2015 there is an unclaimed/ unpaid fixed deposit liability of Rs. 1357.40 Lacs.
- b) Though the Company has filed all its RBI returns and forms, however filing of which have been done beyond statutory prescribed period.



**2. I further report that:**

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

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

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

- a) The Company has approved alteration in the Articles of Association of the Company.
- b) The Company has discontinued to undertake the business of Non- Banking Financial Institution (NBFI), except that it received negligible amounts of moneys due to the Company pertaining to the activity of Hire Purchase which was pursued by the Company prior to 2006.
- c) The Company had filed an application with the Reserve Bank of India in previous years for de-registration of its NBFC status and accordingly has surrendered the Certificate of Registration (COR) as the Company is not carrying any other business activity relating to NBFI that requires it to hold a COR u/s 45-IA of the RBI Act, 1934. Acceptance of application by RBI is awaited.

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

**For Jayant Gupta and Associates**

**Jayant Gupta**

Practicing Company Secretary

FCS : 9738

CP : 7288

Place : New Delhi

Date : August 13, 2015

**Annexure to the Secretarial Audit Report of Escorts Finance Limited for financial year ended March 31, 2015**

To,  
The Members  
Escorts Finance Limited

**Management Responsibility for Compliances**

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

**For Jayant Gupta and Associates**

**Jayant Gupta**

Practicing Company Secretary

FCS : 9738

CP : 7288

Place : New Delhi

Date : August 13, 2015



## To the Members of Escorts Finance Limited

### 1. Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Escorts Finance Limited ('the Company')**, which comprise the Balance Sheet as at March 31, 2015, the statement of Profit and Loss and the Cash Flow Statement for the year then ended and summary of significant accounting policies and other explanatory information.

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

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

### 3. Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements, that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

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

### 4. Basis of Qualified Opinion

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

- i. Note No. 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 No. 22, regarding non-maintenance of minimum capital adequacy ratio required to be maintained in terms of Non-Banking Financial Companies requirements;**
- iii. Note No. 24, regarding the Company's credit rating;**
- iv. Note No. 25, regarding unpaid/unclaimed matured Fixed Deposit Liability;**
- v. Note No. 29, regarding non-provision of preference dividend on cumulative preference shares;**
- vi. Note No. 30, regarding non-determination of Employee 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 sub-paragraphs (iv), (v) and (vi) of Paragraph 4 under the Basis for Qualified Opinion above**, the aforesaid standalone financial statements give the information required by the Act, in the manner so required, and give a true and fair view, in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, and its Loss and its cash flows for the year ended on that date.

### 6. Other Matters

The Company had 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

- A. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in the terms of sub section (11) of Section 143 of the Companies Act 2013, we give in the Annexure a statement on the matters specified in Paragraph 3 & 4 of the order, to the extent applicable.
- B. As required by Section 143(3) of the Act, we report that:
- (i) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (ii) In our opinion, proper books of account, as required by law, have been kept by the Company, so far as it appears from our examination of those books.
  - (iii) The Balance Sheet, the Statement of Profit & Loss and the Cash Flow Statement dealt with by this Report, are in agreement with the books of account.
  - (iv) **Except for the effect of the matters described in sub-paragraphs (iv), (v) and (vi) of Paragraph 4 under the Basis for Qualified Opinion above**, in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (v) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2015 from being appointed as director in terms of Section 164(2) of the Act.
  - (vi) With respect of the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - a) The Company has made disclosure regarding pending litigations in its standalone financial statements, the amount of which is stated to be presently unascertainable, as referred to in Note No. 20(b) to the Financial Statements;
    - b) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
    - c) The Company has not deposited amounts to the Investor Education and Protection Fund against unpaid fixed deposit liabilities including interest thereon, as referred to in Note No. 25 to the Financial Statements;

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

**CA S N Shivakumar**  
Partner  
M.No.088113

Place: Faridabad  
Dated: 26<sup>th</sup> May, 2015

### ANNEXURE TO THE INDEPENDENT AUDITORS REPORT

(Referred to in Paragraph 5 (A) of our report of even date)

- (i)
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The Company has a regular program of physical verification of its fixed assets by which all fixed assets are verified at reasonable intervals. In our opinion, the frequency of physical verification is reasonable having regard to the size of the Company and the nature of its assets. As informed to us, no material discrepancies were noticed on such verification.
- (ii) In view of the nature of the operations of the Company, the Company does not hold any inventory other than stock of repossessed assets, which have been verified by the management during the year. Provision has been made in respect of discrepancies / diminution in the value of such stock as at the end of the year end;
- (iii) During the year, the Company has not granted loans to bodies corporate covered in the register maintained under section 189 of the Companies Act, 2013 ("the Act"). Accordingly, paragraph 3(iii)(a) and (b) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems, commensurate with the size of the Company and the limited nature of its business in relation to fixed assets. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have not observed any major weakness in the internal control system during the course of the audit.



- (v) In respect of deposits accepted from the public, in our opinion and according to the information and explanation given to us, the directives issued by Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013, the Company had not complied with the said norms in relation to repayment of deposit on their respective maturity dates. However, In accordance with the Hon'ble Delhi High Court's Order / direction dated March 04, 2011, Escorts Benefit Trust (EBT) created by Escorts Limited, repaid matured fixed deposit liability against the claims received till March 03, 2013. Claims received after said dates are also being entertained and settled after due verification. As at March 31, 2015, the unpaid/unclaimed matured fixed deposits liability (including interest thereon) is Rs. 1357.40 lacs (Previous Year Rs. 1606.08 lacs).
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub-section (1) to Section 148 of the Companies Act, 2013, in respect of any of the activities of the Company.

- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Income-Tax, Service Tax, Wealth Tax, Value Added Tax, ESIC and other material Statutory Dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Excise duty and Customs duty.

According to the information and explanations given to us, and on the basis of our examination of the books of account, no undisputed amounts payable in respect of Provident Fund, Employees State insurance , Income-Tax, Sales Tax,, Wealth Tax, Service Tax, Customs duty, Excise Duty, Value Added Tax, cess were in arrears, as at 31 March 2015, for a period of more than six months from the date they became payable **except income tax liability amounting to Rs. 22.25 lacs.**

- (b) According to the information and explanations given to us, there are following dues of Income-Tax, Value Added Tax and other material Statutory Dues which have not been deposited with the appropriate authorities on account of any dispute.

Sl No.	Nature of Statutory Dues	Period to which the amount relates	Forum where dispute is pending	Unpaid Amount (in Rs. Lacs)
1	Income Tax	AY 2004-05	DCIT, New Delhi	34.94
		AY 2005-06	DCIT, New Delhi	131.34
2	Value Added Tax	AY 2001-02	AC Appeal, Kolkata	2.26
		AY 1994-95	DC Appeal, Noida	0.54
		AY 1999-01	AC Appeal, Jaipur	1.52

- (c) **The Company has not deposited amounts of Rs. 1357.40 lacs to the Investor Education & Protection Fund against unpaid fixed deposit liabilities including interest thereon.**

- (viii) The Company has accumulated losses at the end of the financial year and also has incurred losses during the year. **The net worth of the Company continues to stand fully eroded as at the end of the financial year.**
- (ix) In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of dues to the financial institutions or banks. The Company does not have any outstanding debentures.
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions.
- (xi) According to the information and explanations given to us, no term loan has been obtained by the Company during the year.
- (xii) To the best of our knowledge and belief and according to the information and explanations given to us, no material frauds on or by the Company was noticed or reported during the year.

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

**CA S N Shivakumar**  
Partner  
M.No.088113

Place: Faridabad  
Dated: 26<sup>th</sup> May, 2015

**BALANCE SHEET AS AT 31ST MARCH 2015**


		Rs. in Lacs	
	Note No.	As at 31st March 2015	As at 31st March 2014
<b>I EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	<b>02</b>	4,967.25	4,967.25
Reserves and Surplus	<b>03</b>	(21,768.29)	(21,759.61)
		(16,801.04)	(16,792.36)
<b>NON-CURRENT LIABILITIES</b>			
Long-Term Provisions	<b>04</b>	2.13	1.63
<b>CURRENT LIABILITIES</b>			
Other Current Liabilities	<b>05</b>	17,422.83	17,419.50
Short-Term Provisions	<b>06</b>	189.18	189.15
		17,612.01	17,608.65
<b>TOTAL</b>		<b>813.10</b>	<b>817.92</b>
<b>II ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed Assets	<b>07</b>		
Tangible Assets		0.11	0.14
Intangible Assets		0.09	0.13
		0.20	0.27
Non-Current Investments	<b>08</b>	489.93	489.93
Long Term Loans and Advances	<b>09</b>	-	-
		490.13	490.20
<b>CURRENT ASSETS</b>			
Current Investments	<b>08</b>	0.01	0.01
Inventories	<b>10</b>	0.01	0.55
Trade Receivables	<b>11</b>	-	-
Cash, Cash Equivalents and Bank Balances	<b>12</b>	2.55	7.17
Short-Term Loans and Advances	<b>13</b>	320.37	319.96
Other Current Assets	<b>14</b>	0.03	0.03
		322.97	327.72
<b>TOTAL</b>		<b>813.10</b>	<b>817.92</b>
<b>Significant accounting policies</b>	<b>01</b>		

Note numbers 01 to 40 forms 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/-  
**Pritam Narang**  
Director

Sd/-  
**P.K.Marwah**  
Manager

Sd/-  
**Inder Mohan Sakhuja**  
Chairman

**Place : Faridabad**  
**Date : 26<sup>th</sup> May, 2015**

Sd/-  
**Vicky Chauhan**  
Company Secretary

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



		Rs. in Lacs	
	Note No.	Year Ended 31st March 2015	Year Ended 31st March 2014
<b>REVENUE</b>			
Revenue from Operations		-	-
Other Income	<b>15</b>	43.21	73.07
<b>Total Revenue</b>		<b>43.21</b>	<b>73.07</b>
<b>EXPENSES</b>			
Employee Benefits Expenses	<b>16</b>	10.42	11.61
Finance Costs	<b>17</b>	0.01	0.10
Depreciation	<b>07</b>	0.07	0.20
Other Expenses	<b>18</b>	41.39	48.60
<b>Total Expenses</b>		<b>51.89</b>	<b>60.51</b>
<b>Profit/(loss) before tax</b>		<b>(8.68)</b>	<b>12.56</b>
Tax Expense	<b>35</b>	-	-
<b>Net Profit/(Loss) for the year</b>		<b>(8.68)</b>	<b>12.56</b>
<b>Earnings per Equity Share- Basic / Diluted (in Rs.)</b>	<b>38</b>	(0.02)	0.03

**Significant Accounting Policies** **1**

Note numbers 01 to 40 forms 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/-  
**Pritam Narang**  
 Director

Sd/-  
**P.K.Marwah**  
 Manager

Sd/-  
**Inder Mohan Sakhuja**  
 Chairman

**Place : Faridabad**  
**Date : 26<sup>th</sup> May, 2015**

Sd/-  
**Vicky Chauhan**  
 Company Secretary

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



## 1. SIGNIFICANT ACCOUNTING POLICIES:

### (a) Basis of Preparation

These financial statements have been prepared to comply with the Generally Accepted Accounting Principles in India (Indian GAAP) including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013.

### (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 management of the Company.

### (f) Depreciation

Depreciation on fixed assets is provided on straight line method based on the estimated useful life as determined by internal assessment of the assets in terms of Schedule II to the Companies Act, 2013. The useful life of the assets has been reassessed based on the number of years for which the assets have already been put to use and the estimated minimum balance period for which the assets can be used in the Company.

In respect of fixed assets having a balance useful life as on April 1, 2014, the written down value of such assets as on April 1, 2014 is charged off as depreciation, on the straight line method, over such balance useful life after retaining the residual value.

All fixed assets individually costing less than Rs. 5,000/- are fully depreciated 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 2015	As at 31st March 2014
<b>02 SHARE CAPITAL</b>		
<b>Authorised :</b>		
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>
<b>Issued, Subscribed and Paid-up :</b>		
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 2015		As at 31st March 2014	
	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%
				<b>Rs. in Lacs</b>

	As at 31st March 2015	As at 31st March 2014
<b>03 RESERVES AND SURPLUS</b>		
Securities Premium Account	2,643.83	2,643.83
Special Reserve		
Balance at beginning of the year	1,107.72	1,105.21
Add: Transfer during the year	-	2.51
Balance at the end of the year	<u>1,107.72</u>	<u>1,107.72</u>
General Reserve	31.46	31.46
Profit & Loss Account		
Balance at beginning of the year	(25,542.62)	(25,552.67)
Add: Profit/(Loss) for the year	(8.68)	12.56
Less : Transfer to Special Reserve	-	(2.51)
Balance at the end of the year	<u>(25,551.30)</u>	<u>(25,542.62)</u>
	<u><b>(21,768.29)</b></u>	<u><b>(21,759.61)</b></u>



	Rs. in Lacs	
	As at 31st March 2015	As at 31st March 2014
<b>04 LONG TERM PROVISIONS</b>		
Provision for Employee Benefits	2.13	1.63
	<b>2.13</b>	<b>1.63</b>
<b>05 OTHER CURRENT LIABILITIES</b>		
Matured/Unclaimed Fixed Deposits and Interest thereon <i>(Also refer Note-25)</i>	1,357.40	1,606.08
Escorts Limited - FD Redemption	14,506.23	14,259.08
Other Payables	1,559.20	1,554.34
	<b>17,422.83</b>	<b>17,419.50</b>
<b>06 SHORT TERM PROVISIONS</b>		
Provision for Employee Benefits	0.64	0.61
Provision for Tax	188.54	188.54
	<b>189.18</b>	<b>189.15</b>

**07 FIXED ASSETS**

	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As at 01.04.14	Additions	Deductions	As at 31.03.15	As at 01.04.14	For the year	Adjust- ment	As at 31.03.15	As at 31.03.15	As at 31.03.14
<b>TANGIBLE ASSETS</b>										
Furniture and Fixtures	1.37	-	-	1.37	1.35	-	-	1.35	0.02	0.02
Office Equipment	22.18	-	-	22.18	22.06	0.03	-	22.09	0.09	0.12
<b>Total</b>	<b>23.55</b>	-	-	<b>23.55</b>	<b>23.41</b>	<b>0.03</b>	-	<b>23.44</b>	<b>0.11</b>	<b>0.14</b>
<b>INTANGIBLE ASSETS</b>										
Website Development	0.53	-	-	0.53	0.40	0.04	-	0.44	0.09	0.13
<b>Total</b>	<b>0.53</b>	-	-	<b>0.53</b>	<b>0.40</b>	<b>0.04</b>	-	<b>0.44</b>	<b>0.09</b>	<b>0.13</b>
<b>Total</b>	<b>24.08</b>	-	-	<b>24.08</b>	<b>23.81</b>	<b>0.07</b>	-	<b>23.88</b>	<b>0.20</b>	<b>0.27</b>
Previous Year	(34.32)	-	(10.24)	(24.08)	(33.58)	(0.20)	(9.97)	(23.81)	(0.27)	

	Rs. in Lacs	
	As at 31st March 2015	As at 31st March 2014
<b>08 INVESTMENTS</b>		
<b>Non Current Investments</b>		
<b>Quoted (Non-Trade Investments)</b>		
a) 48,99,300 Equity Shares of ESCORTS ASSETS MANAGEMENT LIMITED (Previous Year: 48,99,300 Equity Shares)	489.93	489.93
	<b>489.93</b>	<b>489.93</b>
<b>Current Investments</b>		
<b>Unquoted (Non -Trade Investments)</b>		
a) 100 Equity Shares of Rs.10/- each of ESCORTS INVESTMENT TRUST LIMITED (Previous Year: 100 Equity Shares)	0.01	0.01



	Rs. in Lacs	
	As at 31st March 2015	As at 31st March 2014
<b>Unquoted (Trade Investments)</b>		
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
	<b>7.42</b>	<b>7.42</b>
Less: Provision for Diminution in value of Trade Investments	7.42	7.42
	-	-
	<b>0.01</b>	<b>0.01</b>
	<b>489.94</b>	<b>489.94</b>
(Total Market Value of Quoted Investments: Rs.Nil; Previous Year: Rs.Nil)		
<b>09 LONG TERM LOANS AND ADVANCES</b>		
Unsecured - Considered Doubtful <b>(Also refer Note-26)</b>	1,363.57	1,363.17
Less: Provision for bad & doubtful loans & advances	1,363.57	1,363.17
	-	-
<b>10 INVENTORIES</b>		
Stock of Repossessed Assets (As certified by the Management)	0.01	0.55
	<b>0.01</b>	<b>0.55</b>
<b>11 TRADE RECEIVABLES</b>		
Unsecured and outstanding for a period exceeding six months <b>(Also refer Note-28)</b>	846.99	865.51
Less: Provision for bad and doubtful trade receivables	846.99	865.51
	-	-
<b>12 CASH, CASH EQUIVALENTS AND BANK BALANCES</b>		
Cash in hand	1.00	1.49
Balances with Scheduled Banks :		
In Current Account	1.55	5.68
In Deposit Account	-	-
	<b>2.55</b>	<b>7.17</b>
<b>13 SHORT TERM LOANS AND ADVANCES</b>		
Security Deposits	4.15	3.80
Advance with public bodies	0.14	0.14
Advance payment of Income Tax	60.14	60.15
Other Loans and Advances		
Unsecured - Considered Good	255.94	255.87
	<b>320.37</b>	<b>319.96</b>
<b>14 OTHER CURRENT ASSETS</b>		
Interest accrued on Deposits	0.03	0.03
	<b>0.03</b>	<b>0.03</b>



	Rs. in Lacs	
	Year Ended 31st March 2015	Year Ended 31st March 2014
<b>15 OTHER INCOME</b>		
Bad Debts Recovered	11.42	5.94
Overdue Interest	12.88	20.31
Credit Balances / Provisions no longer required written back	18.51	46.40
Interest Income	0.25	0.22
Miscellaneous Income	0.15	0.20
	<u><b>43.21</b></u>	<u><b>73.07</b></u>
<b>16 EMPLOYEE BENEFITS EXPENSES</b>		
Salaries, Allowances and Leave Encashment etc.	9.75	10.55
Contribution to Provident and Other funds	0.44	0.67
Staff Welfare	0.23	0.39
	<u><b>10.42</b></u>	<u><b>11.61</b></u>
<b>17 FINANCE COSTS</b>		
Bank Charges	0.01	0.10
Interest -Others	-	-
	<u><b>0.01</b></u>	<u><b>0.10</b></u>
<b>18 OTHER EXPENSES</b>		
Rates and Taxes	1.05	1.43
Legal and Professional Charges	13.91	17.79
Repairs and Maintenance	0.41	0.51
Printing and Stationery	0.27	0.24
Travelling and Conveyance	1.18	2.55
Advertisement and Publicity	0.84	2.58
Postage, Telex and Telephones	0.78	3.23
Payment to Auditors		
Audit Fee	1.35	1.35
Cretification Fee	0.95	1.40
Director's Sitting Fees	0.56	0.56
AGM	4.52	2.97
Fixed Assets Written Off	-	0.26
Investment written off		1.25
Less: Provision already held	-	<u>(1.25)</u>
Subscription & Fees	2.32	2.08
Diminution in Value of repossessed stock	0.54	0.12
Claims/Compensation paid	8.36	7.54
Miscellaneous Expenses	4.35	3.99
	<u><b>41.39</b></u>	<u><b>48.60</b></u>



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 had 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 04<sup>th</sup> March 2011, Escorts Benefit Trust (EBT) created by Escorts Limited, repaid matured fixed deposit liability against the claims received till 03<sup>rd</sup> March 2013. Claims received after the said date have also been entertained and settled after due verification. As at 31<sup>st</sup> March 2015, the unpaid/unclaimed matured fixed deposits liability is Rs. 1357.40 lacs (Previous Year Rs. 1606.08 lacs) which are pending to be deposited in the Investor Education & Protection Fund.
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. 09. 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. Pending completion of deregistration formalities and recovery of loan assets, the possibilities of venturing into newer business areas shall be examined subsequently. The accounts of the Company have been prepared on Going Concern Basis.
28. Trade receivables amounting to Rs. 846.99 lacs (Previous Year Rs. 865.51 lacs) vide Note No. 11 represent certain cases against which legal actions/ settlements/compromises are in process. However, full provision is held against such receivables.
29. Due to accumulated losses and loss for the 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. Pursuant to the notification of Schedule II of the Companies Act 2013 ("The Act") by the Ministry of Corporate Affairs effective April 01, 2014, the management has internally reassessed the useful lives and residual value of the assets. Accordingly the carrying amount as at April 01, 2014 is being depreciated over the revised remaining useful life of the assets after retaining the residual value.
32. 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'.
- 33. 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
  - Mr. Donald Fernandez –Chief Financial Officer
  - Mr. Vicky Chauhan- Company Secretary
- (c) Related Party Transactions:
- Investment in shares of Escorts Assets Management Limited as on 31<sup>st</sup> March, 2015 is Rs. 489.93 lacs (as on 31<sup>st</sup> March, 2014 Rs. 489.93 lacs)
- 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.** In view of uncertainty of future taxable profits, the Company has not recognized deferred tax asset (net of deferred tax liabilities) at the year end.
- 36.** Balances appearing under loans & advances, trade receivables and current liabilities are subject to confirmation in certain cases.
- 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 under section 129(1) of the Companies Act, 2013.

**38. Earning Per Share**

**I) Basic**

S. No.	Particulars	31 <sup>st</sup> March 2015	31 <sup>st</sup> March 2014
1	Opening No. of shares	40172500	40172500
2	Total Shares outstanding	40172500	40172500
3	Profit/ (Loss) after tax (Rs. Lacs)	(8.68)	12.56
4	Earning per Share (Rupees)	(0.02)	0.03

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

- 39.** 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, 2015. 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).
- 40.** 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

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

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

Sd/-  
**Pritam Narang**  
 Director

Sd/-  
**P.K.Marwah**  
 Manager

Sd/-  
**Inder Mohan Sakuja**  
 Chairman

**Place : Faridabad**  
**Date : 26<sup>st</sup> May, 2015**

Sd/-  
**Vicky Chauhan**  
 Company Secretary

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

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2015 IS AS UNDER**


	<b>Rs. in Lacs</b>	
	<b>Year Ended 31st March 2015</b>	<b>Year Ended 31st March 2014</b>
<b>A Cash Flow from Operating Activites</b>		
Net Profit/(Loss) Before tax & appropriations	(8.68)	12.56
Financial Expenses	0.01	0.10
Depreciation as per statement of profit & loss	0.07	0.20
Provision for Investments	-	-
Provision for Diminution in value of repossessed stock	0.54	0.12
Provision for Gratuity & Leave Encashment	0.53	0.37
(Profit)/Loss on sale of Assets (Net)	-	-
(Profit)/Loss on sale of Investments (Net)	-	-
Interest/Dividend received from investment activities	-	-
Excess Provision written back	(18.51)	(46.40)
<b>Operating Profit before working Capital Changes</b>	<b>(26.04)</b>	<b>(33.05)</b>
<b>Adjustment for:</b>		
(Increase)/Decrease in Trade Receivables	18.51	39.13
(Increase)/Decrease in Other Current Assets	(0.41)	(0.74)
Increase/(Decrease) in Current Liabilities & Provisions	252.01	135.79
<b>Cash Generated From Operations</b>	<b>244.07</b>	<b>141.13</b>
Financial Expenses	(0.01)	(0.10)
<b>Cash Generated From Operations (A)</b>	<b>244.06</b>	<b>141.03</b>
<b>B Cash Flow from Investing activity</b>		
Purchase of Fixed Assets	-	0.27
Sale of Fixed Assets	-	-
(Increase)/Decrease in Investments	-	-
Interest/Dividend Received	-	-
<b>Net Cash Flow from Investing activity (B)</b>	<b>-</b>	<b>0.27</b>
<b>C Cash Flow from financing Operations</b>		
Increase/(Decrease) in Fixed Deposits	(248.68)	(141.35)
<b>Net cash used from Financing Activities (C)</b>	<b>(248.68)</b>	<b>(141.35)</b>
<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>7.17</b>	<b>7.22</b>
<b>Net Increase in Cash and Cash Equivalents (A+B+C)</b>	<b>(4.62)</b>	<b>(0.05)</b>
<b>Cash and Cash Equivalents at the end of the year</b>	<b>2.55</b>	<b>7.17</b>

**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/-

**Pritam Narang**

Director

Sd/-

**P.K.Marwah**

Manager

Sd/-

**Inder Mohan Sakhuja**

Chairman

Sd/-

**Vicky Chauhan**

Company Secretary

Sd/-

**Donald Fernandez**

Chief Financial Officer

**Place : Faridabad**

**Date : 26<sup>th</sup> May, 2015**

# 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**

Particulars	(Rs.In lacs)	
<b>LIABILITIES SIDE:</b>		
<b>(1) Loans and advances availed by the NBFCs inclusive of interest accrued there on but not paid:</b>	Amount Outstanding	Amount Overdue
(a) Debentures : Secured	Nil	Nil
: Unsecured	Nil	Nil
<small>(Other than falling within the Meaning of public deposits)*</small>		
(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*	1,357.40	1,357.40
<b>(Refer Note No 25)</b>		
(g) Other Loans		
WCDL, CC, LOC, etc	Nil	Nil
Security Deposit from Borrowers	Nil	Nil
<small>* Please see Note 1 below</small>		
<b>(2) Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued there on but not paid):</b>		
(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	1,357.40	1,357.40
<b>ASSETS SIDE :</b>		
<b>(3) Break-up of Loans and Advances including bills receivables other than those included in (4) below:</b>	Amount Outstanding	
(a) Secured	-	
(b) Unsecured#	320.37	
<small># Net of Bills Rediscounted of Rs.Nil lacs</small>		
<b>(4) Break-up of Leased Assets and stock on hire and hypothecation loans counting towards EL/HP activities:</b>		
(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	0.01	
(iii) Hypothecation loans counting towards EL/HP activities:		
(a) Loans where assets have been repossessed	Nil	
(b) Loans other than (a) above	Nil	
<small># Includes Loan cum Hypothecation Agreements.</small>		
<small>@ Net of provisions for Doubtful Debt.</small>		
<b>(5) Break-up of Investments :</b>		
<b>Current Investments :</b>		
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	
<b>Long Term Investments</b>	
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	0.01	320.37	320.38
Total	0.01	320.37	320.38

\*\* 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):**

Please see Note 3 below

Category	Market Value/ Break-up or fair value or	Book Value (net of Provisions)
	NAV	
1 Related Parties**		
(a) Subsidiaries	Nil	Nil
(b) Companies in the same group	Nil	Nil
(c) Other related parties	Nil	Nil
2 Other than related parties	489.94	489.94
Total	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](mailto:escortsfinance@escorts.co.in), Website : [www.escortsfinance.com](http://www.escortsfinance.com)

CIN: L65910CH1987PLC033652

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

**PLEASE RETURN**

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

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

Dear Sirs

**Sub: Registration of email Id**

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

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

Thanking you

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

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

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

**BLANK**

**ATTENDANCE SLIP**

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

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

SCO 198-200, 2nd Floor,

Sector – 34 A,

Chandigarh – 160 022

**CIN:** L65910CH1987PLC033652I/ We hereby record my/ our presence at the **27<sup>th</sup> Annual General Meeting** of the Company being held at 3.00 P.M. on **Tuesday, September 29, 2015 at Hotel K C Residency, SCO 377-380, Sector – 35B, Chandigarh – 160 035.**

DP ID	
-------	--

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

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

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

(in demat form)

(in physical form)

Name: \_\_\_\_\_

Father's/ Husband's Name: \_\_\_\_\_

Jointly with 1. \_\_\_\_\_  
2. \_\_\_\_\_Address \_\_\_\_\_  
\_\_\_\_\_

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

- Notes: 1. Please fill this Attendance Slip and hand it over at the Registration Counter.  
2. Shareholder/ Proxy Holder/ Authorised Representatives are requested to show their Photo ID proof for attending the meeting.  
3. Authorised Representatives of Corporate members shall produce proper authorisation issued in their favour.  
4. **This Attendance Slip is valid only in case shares are held as on the cut-off date i.e. September 22, 2015.**

----- 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 **27<sup>th</sup> Annual General Meeting (AGM)** of the Company to be held on **Tuesday, September 29, 2015 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 13, 2015.

Signed this \_\_\_\_ day of \_\_\_\_\_ 2015

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