



## I. Company's Philosophy on Corporate Governance

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

In India, the question of Corporate Governance has emerged mainly in the wake of economic liberalization and de-regularization of industry and business. The objective of any Corporate Governance system is to simultaneously improve corporate performance and accountability. These, in turn, help to attract financial and human resources on the best possible terms and prevent corporate failure.

Corporate Governance consists of procedures and processes, according to which an organisation is directed and controlled. Its structure specifies the distribution of rights and responsibilities among different pan-organisational participants, such as the Board, managers, shareholders and other stakeholders. The system helps to lay down the rules and procedures for decision making.

The objective of Good Corporate Governance is to ensure the Board's commitment towards transparent management to maximise long-term value for the Company's shareholders and other partners. It integrates all the participants involved in a process, which is economic and at the same time, social.

A well-defined and enforced Corporate Governance benefits everyone concerned by ensuring that the enterprise adheres to accepted ethical standards and best practices, as well as to applicable laws.

Corporate Governance goes beyond the practices enshrined in the laws and is imbibed in the basic business ethics and values that needs to be adhered to in letter and spirit. However a transparent, ethical and responsible Corporate Governance framework essentially emanates from the intrinsic will and passion for good governance ingrained in the organisation.

Good Corporate Governance practices are also essential for a sustainable business model for generating long term value for all its stakeholders.

At Escorts Finance Limited, Corporate Governance practices aim to adhere to the highest governance standards through continuous evaluation and benchmarking.

## II. Board of Directors

### (i) Composition and Category of Directors

The composition of the Board of Directors is in conformity with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "Listing Regulations"), as amended from time to time. The Board of Directors alongwith its Committees provide leadership and guidance to the Company's management and direct, supervises and controls the performance of the Company. As on March 31, 2021, the Company's Board comprised of Four (4) Directors out of which two (2) are Independent Non-Executive Directors and One (1) is Non-Independent Non-Executive Director. Mr. Rajeev Khanna is Whole-time Director of the Company.

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

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

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

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



The details of Directors with regard to their directorships and committee positions as on 31.03.2021 are as follows:

Name	Designation	Category	No. of Board meetings attended during the year	Whether attended the last AGM	No. of Directorships in Public Companies*	Committee Positions held**	
						Membership	Chairmanship
Mr. Rajeev Khanna	Whole-time Director	Executive & Non Independent	4	Yes	2	NIL	NIL
Mr. Sumit Raj	Director	Non-Executive & Independent	4	Yes	2	1	1
Ms. Preeti Chauhan	Director	Non-Executive & Independent	4	Yes	2	1	NIL
Mr. Vinod Dixit	Director	Non-Executive & Non-independent	4	Yes	4	1	1

\* Including Escorts Finance Limited.

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

**Notes:** 1) None of the Directors is representing a Lender or Equity Investor.

2) None of the Directors hold any shares in the Company.

## (ii) Details of Director's Qualifications

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

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

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

Details of Directors qualifications

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

## (iii) Board Meetings

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

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

### **Board Meeting Procedures**

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



### Information supplied to the Board

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

### (iii) Code of Conduct

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

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

### Declaration by C.E.O.

The Board of Directors,  
Escorts Finance Limited

Dear Sir,

I hereby confirm that:

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

**Place: Faridabad**  
**Dated: August 02, 2021**

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

### Whistle Blower Policy

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

### III. Audit Committee

#### (i) Constitution

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

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

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

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

### Terms of Reference

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



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



20. Reviewing any changes in the accounting policies or practices as compared to the last completed financial year and commenting on any deviation from the Accounting Standards.
21. Carrying out any other function as may be referred to the Committee by the Company's Board of Directors and/ or other Committees of Directors of the Company from time to time.
22. Recommending to the Board, the terms of appointment, re-appointment and, if required, the replacement or removal of the Cost and the Secretarial Auditors.
23. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
24. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

The audit committee shall mandatorily review the following information:

- a. Management discussion and analysis of financial condition and results of operations;
- b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- c. Management letters/ letters of internal control weaknesses issued by the statutory auditors;
- d. Internal audit reports relating to internal control weaknesses, if any;
- e. Appointment, removal and terms of remuneration of the Chief Internal Auditor, if any;
- f. The Financial Statements, in particular, the investments made by the unlisted subsidiaries of the Company, in view of the requirements under the Listing Regulations;
- g. Details of material transactions with related parties, which are not in the normal course of business; and
- h. Details of material transactions with related parties or others, if any, which are not on arm's length basis, along with management's justification for the same.
- i. Statement of deviations: (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1). (b) annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice in terms of the Listing Regulations 32(7).

The Audit Committee is endowed with the following powers:

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

## (ii) Meeting & Attendance

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

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

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

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



#### IV. Nomination & Remuneration Committee

##### Constitution

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

The Nomination and Remuneration Committee comprises of following Directors:

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

##### Terms of Reference

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

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The Evaluation Criteria and the Remuneration Policy shall form part of the Annual Report of the Company;
5. Recommend to the board, all remuneration, in whatever form, payable to senior management.
6. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors

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

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

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

##### Meetings and Attendance

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

##### Remuneration of Directors

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

The details of sitting fees paid to Directors during the period April 1, 2020 to March 31, 2021 are as under:

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

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

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

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

#### V. Stakeholders' Relationship Committee

##### (i) Constitution

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



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

## (ii) Terms of Reference

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

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

## (iii) Meetings and Attendance

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

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

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

## (iv) Compliance Officer

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

## (v) Whole-time Director

As on March 31, 2021, Mr. Rajeev Khanna is the Whole-time Director of the Company as per Section 203 of the Companies Act, 2013.

## (vi) Complaints received/ resolved

During the year under review, No Complaint(s) were received from investors therefore no complaint(s) are pending for redressal for the year 2020-21 as on the date of this report.

## (vii) Pending Share Transfer

No request for transfer and/ or dematerialization was pending for redressal as on March 31, 2021.

## VI. Functional Committee

The Board is authorised to constitute one or more functional committees delegating thereto powers and duties with respect to specific purposes. Meeting of such committees are held, as and when the need arises. Time schedule for holding such functional committee meetings are finalised in consultation with the Committee members.

## Procedure of Committee Meetings

The Company's guidelines relating to Board Meetings are applicable to Committee Meetings, as far as may be practicable. Each Committee has the authority to engage outside experts, advisors and counsels, to the extent it considers appropriate,



to assist in its work. Minutes of the proceedings of the Committee Meetings are placed before the Board Meeting for perusal and noting.

## VII. GENERAL BODY MEETINGS

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

Financial Year	Venue	Date	Time	No. of Special Resolution passed at AGM
2019-20	SCO 64-65, Third Floor, Sector 17 A Chandigarh - 160017	Wednesday, September 30, 2020	3:00 P.M.	NIL
2018-19	Hotel KC Residency, SCO-377-380, Sector-35B, Chandigarh-160035	Monday, September 30, 2019	3:00 P.M.	Two
2017-18	Hotel KC Residency, SCO-377-380, Sector-35B, Chandigarh-160035	Friday, September 28, 2018	3:00 P.M.	NIL

### Special Resolution passed through Postal Ballot

During the financial year 2020-21, the Company has not passed any Special Resolution through Postal Ballot.

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

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

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

### Payment to Auditors

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

## VIII. DISCLOSURES

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

All the related party transactions during the financial year ended on March 31, 2021 were as per the "Policy on Materiality of Related Party Transactions and dealing with Related Parties".

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

The Company has complied with the statutory rules and regulations of SEBI and Stock Exchanges.

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

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

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

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

- e. Certification from Company Secretary in Practice

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

- f. Policy for determining 'Material Subsidiaries'

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

- g. Policy on dealing with Related Party Transactions

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





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

## **IX. Means of Communication**

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

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

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

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

## **Management Discussion And Analysis**

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

## **X. General Shareholder Information**

### **(i) Company Registration Details**

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

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

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

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

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

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

### **(v) Financial Calendar 2020-21 (tentative)**

Meetings of Board/ Committee thereof to take on record:

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

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

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

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

### **(viii) Dividend**

The Board does not recommend any dividend for the year.

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

September 23, 2021 has been fixed as the cut-off date to record entitlement of the shareholder to cast their vote electronically.

**(x) Listing:**

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

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

The Company has paid the Annual Listing Fees till date.

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

In terms of SEBI circular dated December 27, 2002, the share transfer work in both physical as well as electronic modes has been carried on by Alankit Assignments Ltd., Category I Registrar and Transfer Agents having office at Alankit House, 4E/2, Jhandewalan Extension, New Delhi – 110 055.

**(xii) Share Transfer System**

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

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

**(xiii) Monthly Stock Market Data**

Monthly high and low prices (based on daily closing prices) of Company's Shares at BSE for the financial year ended on March 31, 2021 were as follows:

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

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

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

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

Category	No. of Share-holders	No. of Shares held	% to the Capital
<b>Promoter &amp; Promoter Group:</b>			
a) Indian	6	28023178	69.62
b) Foreign	NIL	NIL	NIL
<b>Public Shareholding Institutions:</b>			
a) Mutual Funds & UTI	NIL	NIL	NIL
b) Banks/ FIs	NIL	NIL	NIL
c) FIIs/ VCs etc.	NIL	NIL	NIL
<b>Non Institutions:</b>			
a) Private Bodies Corporate	89	2409009	5.98
b) Indian Public	24312	9124948	23.05
c) NRIs/ OCBs etc.	39	135797	0.34
d) Others	207	403868	1.01
<b>TOTAL</b>	<b>24914</b>	<b>40250000</b>	<b>100.00</b>

**(xvi) Dematerialisation**

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

**(xvii) Shares Liquidity**

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

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

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

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

**(xviii) Plant Location**

There is no manufacturing location for the Company.

**(xix) Address for correspondence:**

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



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

AAIankit Assignments Limited

Alankit Heights, 4E/2

Jhandewalan Extension

New Delhi – 110055

Tel.- +91-11-42541953,

Fax: +91-11-23552001

Email-id:- rta@alankit.com,

**(xxi) Non-Mandatory Requirements**

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

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

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

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

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



### **CEO / CFO Certification**

The Whole time Director and Chief Financial Officer of the Company certified to the Board on financial reporting and internal controls in terms of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pertaining to CEO and CFO certification for the year ended on March 31, 2021.

To,  
The Board of Directors  
Escorts Finance Limited

Dear Sir,

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

- a. We have reviewed financial statements and the cash flow statement of Escorts Finance Limited for the financial year ended March 31, 2021 and to the best of our knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the financial year which are fraudulent, illegal or violate the Company's Code of Conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit Committee:
  - i. significant changes in internal control over financial reporting during the financial year;
  - ii. significant changes in accounting policies during the financial year and that the same have been disclosed in the notes to the financial statements; and
  - iii. instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**Place: Faridabad**  
**Dated: May 10, 2021**

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

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



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

To,  
The Members  
**Escorts Finance Limited**

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

### **Management Responsibility**

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

### **Auditor's Responsibility**

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

### **Opinion**

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

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

### **Restriction on use**

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

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

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

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



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

- (i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2020-21, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2020-21, and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under

Sl. No.	Name of Director/ KMP and Designation	Remuneration of Director/ KMP for the financial year 2020-21 (Rs. In Lacs)	% Increase in Remuneration in the financial year 2020-21	Ratio of remuneration of each Director/ to median remuneration of employees
1.	Mr. Rajeev Khanna, Executive Director	0.16	0	0.04
2.	Mr. Sumit Raj, Non-Executive Director	0.16	0	0.04
3.	Ms. Preeti Chauhan, Non-Executive Director	0.16	0	0.04
4.	Mr. Vinod Dixit, Non-Executive Director	0.08	0	0.02
5.	Mr. Donald Fernandez, Chief Financial Officer	8.54	3.64	Not Applicable
6.	Mr. Vicky Chauhan, Company Secretary	0	0	

- (i) In the financial year, there was NIL increase in the median remuneration of employees.
- (ii) There were 3 permanent employees on the rolls of the Company as on March 31, 2021.
- (iii) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2020-21 was 0.15% whereas no managerial remuneration was paid during the financial year.
- (iv) The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel, Senior Management and other Employees.
- (v) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year – Not Applicable; and
- (vi) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

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

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

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