

**34<sup>th</sup>**

**ANNUAL REPORT**

**2021-22**

**ESCORTS  
FINANCE  
LIMITED**

# COMPANY INFORMATION

## **Board of Directors**

Mr. Rajeev Khanna, Whole-time Director

Mr. Sumit Raj

Ms. Preeti Chauhan

Mr. Vinod Dixit

## **Registered Office**

Plot No. 19, Industrial Area,  
Phase 2, Chandigarh - 160002

**CIN:** L65910CH1987PLC033652

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

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

## **Company Secretary**

Mr. Vicky Chauhan

## **Chief Financial Officer**

Mr. Donald Fernandez

## **Statutory Auditors**

M/s Kapish Jain & Associates

## **Secretarial Auditors**

M/s Jayant Gupta & Associates

## ESCORTS FINANCE LIMITED

Regd. Office: Plot No. 19, Industrial Area, Phase 2, Chandigarh - 160002

### NOTICE

Notice is hereby given that 34th Annual General Meeting ("**AGM**") of the members of ESCORTS FINANCE LIMITED ("**Company**") will be held through Video Conferencing ("**VC**")/ Other Audio Visual Means ("**OAVM**") at 03:00 P.M.(Indian Standard Time) on Friday, September 30, 2022, to transact the following business:

#### A. ORDINARY BUSINESS:

1. To consider and adopt the audited financial statement of the Company for the financial year ended March 31, 2022, the reports of the Board of Directors and Auditors thereon and, in this regard, to consider and if thought fit, to pass, with or without modification (s), the following resolutions as an **Ordinary Resolution**:

**"Resolved That** the audited financial statement of the Company for the financial year ended March 31, 2022, and the report of Board of Directors and Auditors thereon, as circulated to the Members, be and are hereby considered and adopted."

2. To appoint Mr. Rajeev Khanna (DIN: 08471497), who retires by rotation as a Director and, in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**"Resolved That** in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Rajeev Khanna (DIN: 08471497), who retires by rotation at this meeting, be and is hereby appointed as a Director of the Company."

3. To re-appoint auditors and fix their remuneration and in this regard, to consider and if thought fit, to pass, with or without modifications, the following resolution as **Ordinary Resolution**:

**"Resolved That** in accordance with the provisions of Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or reenactment(s) thereof, for the time being in force) M/s Kapish Jain & Associates, Chartered Accountants (Firm Registration No. 022743N) be and is hereby re-appointed as Statutory Auditors of the Company, for another term of 5 consecutive years, to hold office from the conclusion of this Annual General Meeting ("AGM") till the conclusion of the 39th AGM to be held in the year 2027 at such remuneration, as may be mutually agreed between Board of Directors of the Company and the said auditor.

**Resolved Further That** the Board of Directors of the Company ("Board" which term shall be deemed to include any committee thereof) be and are hereby authorized to do all such acts, deeds, matters and things as may be deemed proper, necessary, or expedient, including filing the requisite forms or submission of documents with any authority or accepting any modifications to the clauses as required by such authorities, for the purpose of giving effect to this resolution and for matters connected therewith, or incidental thereto."

#### B. SPECIAL BUSINESS:

4. To change the name of the Company and consequent amendment in Memorandum and Articles of Association of the Company, and in this regard, to consider and if thought fit, to pass with or without modifications, the following resolution as **Special Resolution**:

**"Resolved That** pursuant to the provisions of Section 13 of the Companies Act, 2013 ("Act") (including any statutory modification or re-enactment thereof) and all other applicable provisions, if any, of the Act and the Companies (Incorporation) Rules, 2014, subject to the availability of name and subject to approval of the Central Government (power delegated to Registrar of Companies) ("RoC"), BSE Limited ("Stock Exchange"), if applicable, and any other regulatory authorities as may be necessary, consent of the members be and is hereby accorded to change the name of the Company from "Escorts Finance Limited" to "EFL Limited" or any other name as may be approved by the Central Registration Centre ("CRC") and other regulatory authorities, whether under the Act or any other rules, laws, acts, statutes or regulations as may be applicable to the Company.

**Resolved Further That** in terms of Sections 13 and 14 of the Act, upon the receipt of the requisite approvals for the change of name of the Company, the Memorandum of Association and the Articles of Association of the Company be altered by deleting the existing name of the Company wherever appearing and substituting it with the new name of the Company.

**Resolved Further That** Directors and Company Secretary of the Company be and are hereby severally authorized to file applications with the RoC, Stock Exchange, if applicable, the CRC and with the regulatory

authority, respective forms for making application for change of name or apply for such other name and accept any other name approved by the CRC or other relevant regulatory authorities and seek approval for the change in the name of the Company accordingly and to do all such acts, deeds, things and matters as may be required, necessary, proper, desirable or expedient, in this matter on behalf of the Company without making any further reference to the members for their approval."

5. To alter the Memorandum of Association of Company, and in this regard, to consider and if thought fit, to pass with or without modifications, the following resolution as **Special Resolution**:

**"Resolved That** pursuant to the provisions of Section 13 of the Companies Act, 2013 ("Act") (including any statutory modification or re-enactment thereof for the time being in force) and all other applicable provisions, if any, of the Act read with rules thereunder, consent of the members of the Company be and is hereby accorded to alter Clause III, IV and V of the Memorandum of Association of the Company in the following manner:

#### **Clause III**

The objects clause being Clause III of the Memorandum of Association of the Company be altered by:

- (i) Renaming the Part A of Clause III as follows, omitting the existing sub clause 1, 2 & 4 of Part A of Clause III and the renumbering the sub clauses 3, 5 & 6 as 1, 2 & 3 respectively.
- (A) "THE OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE:"
- (ii) Renaming the Part B of Clause III as follows, omitting the existing sub clauses 8, 12, 14, 16, 23, 24, 26, 27, 29 to 33, 35 to 37, 39, 42 to 45, 48 to 56, 59, 61, 62, 66 & 67 of Part B of Clause III and the renumbering the remaining sub clauses from 1 to 32.
- (B) "MATTERS WHICH ARE NECESSARY FOR FURTHERANCE OF THE OBJECTS SPECIFIED IN CLAUSE III(A) ARE:"
- (iii) The Part C of Clause III containing 'Other Objects' and sub clauses thereunder be deleted.

#### **Clause IV**

The liability clause being Clause IV in the Memorandum of Association of the Company be substituted by the following new clause:

"IV. The liability of the members is limited and this liability is limited to the amount unpaid, if any, on the shares held by them."

#### **Clause V**

The capital clause being Clause V in the Memorandum of Association of the Company be altered by deleting the phrase "10% Redeemable Cumulative" appearing in the clause.

**Resolved Further That** Directors and Company Secretary of the Company, be and are hereby severally authorized to do all such acts, deeds and things as may be necessary, proper or expedient to give effect to this resolution and for matters connected therewith or incidental thereto."

6. To approve reclassification request of Promoter Group of the Company as Public Shareholder, and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

**"Resolved That** pursuant to the provisions of Regulation 31A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), and subject to approval from BSE Limited ("Stock Exchange") and such other Statutory Authorities as may be required and pursuant to other laws and regulations, as may be applicable from time to time (including any statutory modifications or re-enactments thereof for time being in force), the consent of the members be and is hereby accorded to reclassify the following applicant from "Promoter Group" category to "Public" category :-

<b>Name of the Promoter Group</b>	<b>No. of shares held as on August 30, 2022</b>	<b>Percentage (%) of Holding</b>
Shreeyam Securities Limited (Formerly Escorts Securities Limited)	6,25,000	1.55%

**Resolved Further That** the above applicants confirmed that all the conditions specified in sub-clause (i) to (vii) of clause (b) of sub-regulation (3) of Regulation 31A of the SEBI Listing Regulations have been complied with and also confirmed that at all times from the date of such reclassification, shall continue to comply with conditions mentioned in Regulation 31A of SEBI Listing Regulations post reclassification from "Promoter Group" to "Public".

**Resolved Further That** on approval of the Stock Exchange upon application for reclassification of the aforementioned applicant, the Company shall effect such reclassification in the Statement of Shareholding pattern from immediate succeeding quarter under Regulation 31 of the SEBI Listing Regulations and in compliance to Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and other applicable provisions.

**Resolved Further That** Directors and Company Secretary of the Company, be and are hereby severally authorized to perform and execute all such acts, deeds, matters and things including but not limited to making intimation/ filings to stock exchange(s), seeking approvals from the Securities and Exchange Board of India, BSE Limited (as applicable), and to execute all other documents required to be filed in the above connection and to settle all such questions, difficulties or doubts whatsoever which may arise and amend such details and to represent before such authorities as may be required and to take all such steps and decisions in this regard to give full effect to the aforesaid resolutions".

7. To appoint Ms. Moni Singh (DIN: 09719726) as an Independent Director, and in this regard, to consider and if thought fit, to pass with or without modifications, the following resolution as **Special Resolution:**

**"Resolved That** pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("Act"), and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Ms. Moni Singh (DIN: 09719726), who has submitted a declaration that she meets the criteria for independence as provided under the Act and the SEBI Listing Regulations, and in respect of whom the Company has received a notice in writing, under Section 160 of the Act, from a member proposing her candidature for the office of Director, being eligible, be and is hereby appointed as an Independent Director, not liable to retire by rotation, from the conclusion of the 34th Annual General Meeting (AGM) for a term of 5 (five) consecutive years or conclusion of the AGM to be held in the calendar year 2027, whichever is earlier.

**Resolved Further That** Directors and Company Secretary of the Company, be and are hereby severally authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

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

**Sd/-  
Vicky Chauhan  
Company Secretary**

**Place: Faridabad  
Dated: September 7, 2022**

## NOTES:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 08, 2021 December 14, 2021 and May 5, 2022 (collectively referred to as "**MCA Circulars**") permitted convening the Annual General Meeting ("**AGM**" or "**e-AGM**") through video conferencing (VC) or other Audio Visual Means ('OAVM') without the physical presence of the Members of the Company at a common venue. In accordance with MCA Circulars, provisions of the Companies Act, 2013 ('Act') and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the AGM of the Company is being held through VC/ OAVM.

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

2. The Explanatory Statement pursuant to Section 102(1) of the Act, relating to Special Business to be transacted at the AGM, is annexed hereto.
3. In terms of the provisions of Section 152 of the Act, Mr. Rajeev Khanna, Director retire by rotation at this Meeting. The Board of Directors of the Company commend his re-appointment. Mr. Khanna is interested in the Ordinary Resolution set out at Item No. 2 of the Notice with regard to his re-appointment. The relatives of Mr. Khanna may be deemed to be interested in the resolution set out at Item No. 2 of the Notice to the extent of his shareholding interest, if any, in the Company. Save and except the above, none of the other Directors/ Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the Ordinary Business set out under Item No. 1 to 2 of the Notice.
4. Since this AGM is being held through VC/ OAVM pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.
5. Members attending the AGM through VC/ OAVM shall be counted for the purpose of quorum under Section 103 of the Act.
6. A copy of the Annual Report containing Audited Financial Statement for the financial year ended March 31, 2022 together with the Reports of the Board of Directors and Auditors' thereon are enclosed.
7. In compliance with the aforesaid MCA Circulars, Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those members whose e-mail addresses are registered with the RTA/ Depositories. Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website [www.escortsfinance.com](http://www.escortsfinance.com) and websites of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and website of CDSL at [www.evotingindia.com](http://www.evotingindia.com).
8. In order to enable the Company to comply with MCA circulars and to participate in the green initiative in Corporate Governance, members are requested to register their email addresses in respect of shares held in electronic form with their Depository Participant(s) and in respect of shares held in physical form by the following the steps herein below specified:

Shares held in Demat form	Please register/ update their e-mail address with the relevant Depository Participant.
Shares held in Physical Form	Members can register/ update their e-mail ID by submitting the Form ISR-1 and other relevant forms available on Company's website at <a href="http://www.escortsfinance.com">www.escortsfinance.com</a> with Company's Registrar & Transfer Agent i.e. Alankit Assignments Limited with details of folio number.

9. The Register of Members and Share Transfer Books of the Company will remain closed from September 23, 2022 to September 30, 2022 (both days inclusive).
10. Members are informed that Share Transfer and related activities are being carried out by Alankit Assignments Limited, Registrar and Share Transfer Agent ("Alankit" or "RTA"), from the following address: -

**ALANKIT ASSIGNMENTS LIMITED**

Alankit House 4E/2,  
Jhandewalan Extension,  
New Delhi – 110 055  
Tel.- +91-11-42541953  
Fax: +91-11-23552001  
E-mail id: [rta@alankit.com](mailto:rta@alankit.com)

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

11. Please send all correspondence including requests for transfer/ transmission of shares & change of address etc. to RTA.
12. 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.
13. 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).
14. Section 72 of the Act and Rule 19 of the Companies (Share Capital & Debenture) Rules, 2014 has extended nomination facility to individual shareholders holding shares in physical form. Shareholders are requested to avail the above facility by submitting prescribed Nomination Form SH-13 to the RTA. This form is also available on the Company's website [www.escortsfinance.com](http://www.escortsfinance.com).
15. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or arrangements in which directors are interested, maintained under Section 189 of the Act and Relevant documents referred to in the accompany in Notice shall be available for inspection through electronic mode, basis the request being sent on [escortsfinance@escorts.co.in](mailto:escortsfinance@escorts.co.in).
16. Members who have not yet paid their "Allotment Money" are advised to send the same along with interest calculated @ 17% p.a. for delayed period i.e. from May 7, 1995 till the date of payment, through demand draft/ cheque payable at Delhi in favour of the Company, to avoid forfeiture.
17. Pursuant to the requirements of the SEBI Listing Regulations on Corporate Governance and the applicable/ Secretarial Standard, the information required to be given in case of appointment/ re-appointment of Directors, is set out at the **Annexure I** to this Notice.
18. Non-resident Indian shareholders are requested to inform about the following to the Company or its RTA or the concerned Depository Participant, as the case may be, immediately of:-
  - a. The change in the residential status on return to India for permanent settlement.
  - b. The particulars of the NRE Account with a Bank in India, if not furnished earlier.
19. The Institutional/ Corporate members intending to attend the e-AGM through authorised representatives are requested to send to the Company/ Scrutinizer a certified true copy of the Board Resolution (PDF/ JPG format) authorising their representative to attend the e-AGM through VC/ OAVM and vote on their behalf by an e-mail to [pcs.jga@gmail.com](mailto:pcs.jga@gmail.com) with a copy to [escortsfinance@escorts.co.in](mailto:escortsfinance@escorts.co.in) through its registered email address.
20. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.

## 21. 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 from time to time and SEBI Listing Regulations (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Company is pleased to provide to Members facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means. The Company has appointed CDSL as the Authorised Agency to provide remote e-voting facility for casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("Remote e-voting").  
The remote e-voting facility is available at the link [www.evotingindia.com](http://www.evotingindia.com). Please read the instructions before exercising your vote.
- II. The **remote e-voting period commences on Tuesday, September 27, 2022 (09:00 am IST) and ends on Thursday, September 29, 2022 (05:00 pm IST)**. The remote e-voting module shall be disabled by CDSL for voting thereafter. During this period, members of the Company, holding shares either in physical form or in dematerialised form, as on the **cut-off date i.e. September 23, 2022**, shall be entitled to avail the facility of remote e-voting.
- III. The voting rights of members shall be in proportion to their share in the paid-up equity capital of the Company as on the **cut-off date i.e. September 23, 2022**.
- IV. The facility for voting during the AGM shall also be made available and the Members who have not cast their vote by Remote e-voting shall be eligible to exercise their right during AGM.
- V. The Members who have already cast their votes by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

### Instructions for Voting:-

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

### A. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in Demat mode with CDSL/NSDL:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL Depository</b>	1) Users who have opted for CDSL Easi/ Easiest facility, can login through their existing user ID and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/ Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.
	2) After successful login the Easi/ Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/ NSDL/ KARVY/ LINKINTIME, so that the user can visit the e-Voting service providers' website directly.



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

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

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

<b>Login type</b>	<b>Helpdesk details</b>
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact a toll free No. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

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

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

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

- 7) After entering these details appropriately, click on "SUBMIT" tab.
- 8) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- 9) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

- 10) Click on the EVSN for the relevant company <Escorts Finance Limited> on which you choose to vote.
- 11) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- 12) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- 13) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- 14) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- 15) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- 16) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- 17) There is also an optional provision to upload BR/ POA if any uploaded, which will be made available to scrutinizer for verification.
- 18) Shareholders can also cast their vote using CDSL's mobile app "**m-voting**". The m-Voting app can be downloaded from respective App Store. Please follow the instructions as prompted by the mobile app while remote voting on your mobile.
- 19) Facility for Non – Individual Shareholders and Custodians – For Remote Voting only
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer at the email address viz; [pcs.jga@gmail.com](mailto:pcs.jga@gmail.com) and to the Company at the email address viz; [escortsfinance@escorts.co.in](mailto:escortsfinance@escorts.co.in), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

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

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

3. Shareholders who have voted through remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / iPad for better experience.
5. Further, shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/ Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 10 days prior to meeting mentioning their name, demat account number/ folio number, e-mail id, mobile number at [escortsfinance@escorts.co.in](mailto:escortsfinance@escorts.co.in). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 10 days prior to meeting mentioning their name, demat account number/ folio number, e-mail id, mobile number at [escortsfinance@escorts.co.in](mailto:escortsfinance@escorts.co.in). These queries will be replied by the Company suitably by e-mail.
8. Further, the Members seeking information with regard to the Financial Statement or any other matter to be placed at the 34th AGM are requested to write to the Company on or before September 24, 2022 mentioning their name, demat account number/ folio number, e-mail id and mobile number along with query to [escortsfinance@escorts.co.in](mailto:escortsfinance@escorts.co.in). These queries will be suitably replied by the Company through email.
9. The Company reserves the right to restrict the number of speakers depending upon the availability of time for the AGM.
10. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the meeting.
11. Only those shareholders, who are present in the AGM through VC/ OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
12. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/ OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

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

1. For Physical shareholders- please submitting the Form ISR-1 and other relevant forms available on Company's website at [www.escortsfinance.com](http://www.escortsfinance.com) with Company's Registrar & Transfer Agent i.e. Alankit Assignments Limited with details of folio number, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN Card), AADHAAR (self-attested scanned copy of Aadhaar Card) by e-mail to company at [escortsfinance@escorts.co.in](mailto:escortsfinance@escorts.co.in) or to RTA at [rta@alankit.com](mailto:rta@alankit.com).
2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP).
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free no. 1800 22 55 33.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, Central Depository Services (India) Limited(CDSL), A Wing, 25th Floor, Marathon Futurex, Mafatal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call toll free no. 1800 22 55 33.

22. The Securities and Exchange Board of India (SEBI) has mandated submission of PAN by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to Company/ RTA.
23. As per Regulation 40 of the SEBI Listing Regulations, as amended, securities of the listed companies can be transferred only in dematerialised form with effect from April 1, 2019, except in case of request received for transmission or transposition and re-lodged transfers of securities. Further, SEBI vide its circular no. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/236 dated December 2, 2020 had fixed March 31, 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Shareholders holding shares in physical form are requested to consider converting their holdings to dematerialised form.
24. 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.
25. The Scrutinizer shall make, not later than two working days of the conclusion of the AGM, make a Consolidated Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company or a person authorised by him in writing, who shall countersign the same and declare the result of the voting forthwith.
26. SEBI has decided that except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialized form with a depository w.e.f. April 1, 2019. In view of the above and to avail various benefits of dematerialisation, members are advised to dematerialise shares held by them in physical form.
27. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website [www.escortsfinance.com](http://www.escortsfinance.com) and on the website of CDSL at [www.evotingindia.com](http://www.evotingindia.com) immediately after the result is declared by the Chairman. The Company shall also simultaneously forward the results to BSE Limited where its shares are listed.

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

**Place: Faridabad  
Dated: September 7,2022**

**Sd/-  
Vicky Chauhan  
Company Secretary**

No gift(s), gift coupon(s) or cash in lieu of gift(s) shall be distributed to members in connection with the Meeting.
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## **Explanatory statement under Section 102(1) of the Companies Act, 2013 read with SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015**

### **Item No. 3**

The Statutory Auditors, M/s Kapish Jain & Associates, Chartered Accountants (Firm Registration No. 022743N) have been appointed till the conclusion of the Annual General Meeting (AGM) to be held in the year 2022.

In terms of the provisions of Section 139 of the Companies Act, 2013 (Act), the Companies (Audit and Auditors) Rules, 2014, and other applicable provisions, the Company can appoint or re-appoint an audit firm as statutory auditors for not more than two (2) terms of five (5) consecutive years.

M/s Kapish Jain & Associates is eligible for re-appointment for a further period of five years and have consented to their re-appointment as Statutory Auditors and have confirmed that, if re-appointed, their re-appointment will be in accordance with Section 139 read with Section 141 of the Act.

Considering the evaluation of the past performance and on the recommendations of the Audit Committee, the Board of Directors, at its meeting held on August 30, 2022 approved the re-appointment of M/s Kapish Jain & Associates as the statutory auditors of the Company to hold office for a second term of five consecutive years effective from the conclusion of this meeting until the conclusion of the AGM to be held in the year 2027.

The Board of Directors, in consultation with the audit committee, may alter and vary the terms and conditions of the appointment, including remuneration, in such manner and to such extent as may be mutually agreed with the statutory auditors.

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

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

### **Item No. 4**

The Company has received the directions from Reserve Bank of India (RBI) vide its letter dated May 12, 2022 directing to change the name of the Company not reflecting financial business activities. Accordingly, the Board of Directors of the Company at its meeting held on July 27, 2022, has, subject to the approval of the members of the Company by way of special resolution and approvals of statutory, regulatory or governmental authorities as may be required under applicable laws, approved the change in name of the Company to 'EFL Limited' or such other name as approved by Ministry of Corporate Affairs along with the consequent amendment to the Memorandum of Association and Articles of Association of the Company.

The proposed change of name will not affect any of the rights of the Company or of the shareholders/ stakeholders of the Company. All existing share certificates bearing the current name of the Company will, after the change of name, continue to be valid for all purposes.

As per the provisions of Section 13 of the Companies Act, 2013, approval of the shareholders is required to be accorded for changing the name of the Company & consequent alteration in the Memorandum of Association and Articles of Association by way of passing a Special Resolution.

The draft of new proposed altered Memorandum of Association and Articles of Association is placed on the website of the Company at [www.escortsfinance.com](http://www.escortsfinance.com). A certificate from the Chartered Accountants certifying compliance of regulation 45 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is attached along with this notice as **Annexure II**.

None of the Directors and/ or Key Managerial Personnel of the Company and/ or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

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

## Item No. 5

Consequent to surrender of license of Non-Banking and Finance Company and on the direction of Reserve Bank of India (RBI) issued vide its letter dated May 12, 2022 directing to change the object clauses of MoA of the Company related to financial business (specifically deposit-taking clause, if any), the Board of Directors of the Company at its meeting held on July 27, 2022, has subject to the approval of the members of the Company by way of special resolutions and other applicable statutory approvals, approved the change in object clause of MoA of the Company by deleting the all the sub-clauses related non-banking finance activities.

Further, the existing liability clause IV of the MoA has been redefined in line with Table A of Schedule I of the Companies Act, 2013.

Now the altered Clause IV of the MoA will be as under:

“The liability of the member(s) is limited and this liability is limited to the amount unpaid, if any, on the shares held by them.”

Further, the National Company Law Tribunal (‘NCLT’), Chandigarh Bench has passed an order on May 13, 2022 under Section 55(3) of the Companies Act, 2013 (‘Act’) for issuance, at par, for consideration other than cash, of 95,00,000 -1% Cumulative Redeemable Preference Shares with face value of INR 10/- (Indian Rupees Ten Only) each fully paid up, aggregating to INR 9,50,00,000/- (Indian Rupees Nine Crore and Fifty Lakhs Only) redeemable at the expiry of 20 years from the date of allotment, to Escorts Kubota Limited (Formerly Escorts Limited) in lieu of redemption of unredeemed 95,00,000 -10% Cumulative Redeemable Preference Shares with face value of INR 10/- (Indian Rupees Ten Only) each fully paid up, aggregating up to a principal amount of INR 9,50,00,000/- (Indian Rupees Nine Crore and Fifty Lakhs Only) held by Escorts Kubota Limited (preference shareholder).

Accordingly, the Board of Directors of the Company at its Meeting held on July 27, 2022, approved the alteration of Memorandum of Association (MoA) of the Company, subject to approval of Members, by deleting the phrase “10% Redeemable Cumulative” appearing in the clause.

Now the altered Clause V of the MoA will be as under:

“The Authorised Share Capital of the Company is Rs. 50,00,00,000 (Rupees Fifty Crores) divided into 4,05,00,000 (Four Crores and Five Lakhs) Equity Shares of Rs. 10/- each and 95,00,000 (Ninety Five Lakhs) Preference Shares of Rs. 10/- each, with a right to the Board of Directors to reclassify them into any class of shares and/or any denomination with such preferential, deferred, specified or special rights, privileges or conditions as the Board of Directors may decide.”

A copy of amended and altered MoA of the Company would be available for inspection for the members at the Registered Office of the Company during the business hours on any working day.

None of the Directors and/ or Key Managerial Personnel of the Company and/ or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

The Board commends the Special Resolution set out at Item No. 5 of the Notice for approval by the Members.

## Item No 6:

The Company had received request from Shreeyam Securities Limited (formerly Escorts Securities Limited), Promoter Group of the Company, for reclassification from the ‘Promoter Group’ category to ‘Public’ category. The following are the details regarding his shareholding in the Company:

<b>Name of the Promoter Group</b>	<b>No. of shares held as on August 30, 2022</b>	<b>Percentage (%) of Holding</b>
Shreeyam Securities Limited (Formerly Escorts Securities Limited)	6,25,000	1.55%

Pursuant to Regulation 31A SEBI Listing Regulations along with amendments thereto, the Board of Directors of the Company shall analyze the request, place the same before the shareholders in this Annual General Meeting for approval and apply for stock exchanges’ approval subsequently.

On the basis of the request received and pursuant to the provisions of Regulation 31A(3)(b) of SEBI Listing Regulations, Shreeyam Securities Limited ('SSL') seeking reclassification confirmed that: i) SSL, do not hold more than ten per cent of the total Voting Rights in the Company; ii) SSL do not exercise control over the affairs of the Company directly or indirectly; iii) SSL do not have any special rights with respect to the Company through formal or informal arrangements including through any shareholder agreements; iv) SSL do not represent on the Board of Directors (including not having a Nominee Director) of the Company; v) SSL do not act as a Key Managerial Person in the Company; vi) SSL is not 'wilful defaulter' as per the Reserve Bank of India Guidelines; vii) SSL is not fugitive economic offender.

Further, SSL have confirmed that subsequent to reclassification, SSL would continue to comply with the requirements as mentioned in Regulation 31A of the SEBI Listing Regulations. The said requests for reclassification were considered, analyzed and approved by the Board of Directors at its meeting held on August 30, 2022, subject to members' approval and stock exchanges' approval subsequently.

Pursuant to the applicable provisions of the SEBI Listing Regulations and other applicable laws Shreeyam Securities Limited along with shall not vote on this resolution.

None of the Directors/ KMP of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the Ordinary Resolution set out at Item no. 6 of this Notice.

The Board recommends the resolution set forth in Item no. 6 for the approval of the Members.

#### **Item No. 7**

Since the second term of Ms. Preeti Chauhan, Independent Director of the Company, is going to be completed in this meeting, therefore based on the recommendation of Nomination and Remuneration Committee (NRC), the Board of Directors of the Company, pursuant to the provisions of Sections 149, 152 of the Companies Act, 2013 and the Articles of Association of the Company, had recommended the appointment of Ms. Moni Singh (DIN: 09719726) as an Independent Director, not liable to retire by rotation, on the Board of the Company, with effect from conclusion of this Annual General Meeting (AGM), subject to the approval of the shareholders in the ensuing AGM, for a period of 5 (five) years.

Ms. Singh is not disqualified from being appointed as directors in terms of Section 164 of the Act and have given her consent to act as director. The Company has also received declarations from Ms. Singh that she meets the criteria of independence as prescribed under Section 149(6) of the Act and under the SEBI Listing Regulations.

In the opinion of the Board, Ms. Singh fulfil the conditions for appointment as an Independent Director as specified in the Act and the SEBI Listing Regulations.

Ms. Singh is independent of the management and possesses appropriate skills, experience and knowledge, thus, in the opinion of the Directors of the Company, her presence and participation in the deliberations of the Board would be beneficial for the Company.

Details of Ms. Moni Singh is provided in the **Annexure I** to the Notice, pursuant to the provisions of (i) SEBI Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

The Company has received requisite notice in writing from her proposing herself as a candidate for the office of Directors of the Company.

Copy of draft letter of appointment of Ms. Singh setting out the terms and conditions of appointment is available electronically for inspection by the Members.

Ms. Singh is interested in the resolution set out at Item No. 7 of the Notice with regard to her appointment. Relatives of Ms. Singh may be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors/ Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.



This statement may also be regarded as an appropriate disclosure under the Act and the SEBI Listing Regulations. The Board commends the Special Resolution set out at Item No. 7 of the Notice for approval by the Members.

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

**Place: Faridabad  
Dated: September 7, 2022**

**Sd/-  
Vicky Chauhan  
Company Secretary**

## Annexure I

### Annexure I

Information provided pursuant to requirements given under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard on the General Meetings in respect of Individuals Proposed to be appointed/ re-appointed as Director(s):

<b>Particulars</b>	<b>Mr. Rajeev Khanna</b>	<b>Ms. Moni Singh</b>
<b>Director Identification Number</b>	08471497	09719726
<b>Date of Birth (Age)</b>	March 7, 1957 (Age 65 Year)	March 8, 1987 (Age 35 Year)
<b>Date of Appointment</b>	June 4, 2019	From the conclusion of 34th AGM
<b>Qualifications</b>	Associate Member of ICWA	B.Com, LLB and Associate Member of ICSI
<b>Brief Resume, experience and Expertise in specific functional areas</b>	Mr. Rajeev Khanna is having approx. 43 years of experience in area of cost and management accounting and is also having strong leadership skills which will be beneficial for the company in long run.	Ms. Moni Singh is having a versatile experience of approx. 12 years in the field of law and secretarial functions. Being a Company Secretary Professional, she is having an edge for strategic decisions and their implementation thereof.
<b>Skill and capabilities required and the manner to meet such requirements*</b>	-	Being an Independent Director of the Company, ethical and high standards of conduct is the utmost importance which enables director to provide the challenge and required to help the Board achieve a comprehensive understanding of information and options, as well as high standards of decision-making.  Keeping in view the above requirement, Board is in the view that Ms. Moni Singh will contribute to the Company which will ultimately benefit the Company at a large.
<b>Directorships held in other companies (excluding Private Limited Companies, Section 8 Companies, Foreign Companies &amp; LLP's)</b>	<ol style="list-style-type: none"> <li>1. Escorts Consumer Credit Limited</li> <li>2. Emerald Wealth Management Limited</li> <li>3. Niky Tasha Energies Private Limited</li> </ol>	Nil
<b>Committee Memberships of other Companies (includes only Audit Committee and Stakeholders Relationship Committee)</b>	Nil	Nil

## Annexure I

<b>Number of shares held in the Company</b>	Nil	Nil
<b>Number of meetings of the Board attended during the year</b>	5 out of 5	NA
<b>Relationship between directors inter-se and with key managerial personnel of the Company</b>	There is no inter-se relationship between Mr. Rajeev Khanna and other directors or key managerial personnel of the Company	There is no inter-se relationship between Ms. Moni Singh and other directors or key managerial personnel of the Company
<b>Terms and conditions of appointment/ reappointment</b>	The Directors have been appointed in terms of the provisions of Act and are responsible to undertake the roles and responsibilities prescribed under the provisions of the Act and other laws for the time being in force. In addition, they are also responsible to undertake the roles and responsibilities assigned by the Board from time to time.	
<b>Details of remuneration and the remuneration last drawn, if any</b>	Nil  Details of last remuneration/ sitting fee is mentioned note no. 43 of financial statements	The Non-executive director will be entitled to sitting fees as approved by the Board in their meeting held on August 30, 2022  Last Drawn remuneration – NA
<b>Date of first appointment on the Board</b>	NA	NA

\*Required to be disclosed only in case of Independent Director

## Annexure II

### Annexure II

To,

**Board of Directors  
Escorts Finance Limited**

15/5, Mathura Road, Faridabad- 121003  
Haryana, India

I/ We, Sahil Bhatia, having registration number 519303, have examined the relevant records of the "Escorts Finance Limited" (hereinafter referred to as "the Company") and information provided by Management of the Company in relation to issue of certificate for compliance with the conditions at Sub-regulation (1) of Regulation 45 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for change of Company's name from "Escorts Finance Limited" to "EFL Limited" or any other name as may be approved by the Central Registration Centre ("**CRC**") and other regulatory authorities, whether under the Act or any other rules, laws, acts, statutes or regulations as may be applicable to the Company.

Based on our examination and according to the information and explanation given to us, pursuant to the requirement of provisions of Regulation 45 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we do hereby confirm that:

- a) Time period of at least one year has elapsed from the last name change:  
**The Company has not changed its name since last one year**
- b) at least fifty percent of the total revenue in the preceding one year period has been accounted for by the new activity suggested by the new name:  
**Not Applicable.**
- c) The amount invested in the new activity/ project is at least fifty percent. of the assets of the listed entity:  
**Not Applicable.**

This certificate is issued at the request of the Company pursuant to the requirement of Regulation 45(3) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 for inclusion of the same in the explanatory statement to the Notice, seeking shareholders' approval for change in Name and onward submission to the Stock Exchange, where the equity shares of the Company are listed.

Sahil Bhatia & Associates  
**Chartered Accountants**

**Sd/-  
CA Sahil Bhatia  
M. No. 519303  
F.No.: 027091N**

**UDIN: 22519303ARDTPL2237  
Date August 30, 2022**

## DIRECTORS' REPORT

### Dear Shareholders,

Your Directors are pleased to present the 34th (Thirty Fourth) Annual Report, together with the Audited Financial Statement of the Company for the financial year ended March 31, 2022 and the Auditors' Report thereon.

### Financial Results

(Rs. In Lacs)

Particulars	Financial Year ended March 31, 2022	Financial Year ended March 31, 2021
Gross Income	29.95	27.32
Profit/ (Loss) before write off, provisions & tax	(12.56)	(1.05)
Tax adjustment for earlier years	-	-
Profit/ (Loss) after Tax	(12.56)	(1.05)

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

### Dividend

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

### Fixed Deposits

An amount of Rs. 3.96 lacs has been paid to the Fixed Deposit holders during the financial year ended March 31, 2022 and in terms of the advice of the Reserve Bank of India (RBI), the entire outstanding liability towards unclaimed fixed deposits including interest thereon of Rs. 1056.22 lacs has been deposited with the Investor Education Protection Fund on February 2, 2022.

### Management Discussion and Analysis

#### (i) Industry Structure and Development

The Company has surrendered its Certificate of registration and RBI also through its Order dated April 16, 2016 has cancelled Company's Certificate Registration No- A- 14.01690. Also RBI has issued directions to the Company to modify/ remove the object clause related to financial business (specifically deposit-taking clause, if any).

#### (ii) Opportunities and threats

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

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

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

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

#### (iv) Future Outlook

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

#### (v) Risks and Concerns

The Company is presently engaged in recovery of delinquent loan assets and settlement of old legal cases filed by/ against the Company. The management sees uncertainty in such settlements as the present functioning

is only limited to recovery of delinquent loan assets. However, your directors are exploring the possibilities of venturing into new business areas.

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

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

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

The loss for the year after write offs/ provisions etc. and tax amounts to Rs. 12.56 lacs.

#### **(viii) Human Resource and Industrial Relations**

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

#### **Cautionary Statement**

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

#### **Directors**

In accordance with the provisions of Companies Act, 2013 ("Act") and Articles of Association of the Company, Mr. Rajeev Khanna, Director retire by rotation at the ensuing AGM and being eligible, offer himself for re-appointment.

The tenure of Ms. Preeti Chauhan, Independent Director of the Company is coming to an end in the ensuing Annual General Meeting. The Board of Directors, upon receipt of recommendation from the Nomination and Remuneration Committee, in their meeting held on August 30, 2022 approved the appointment of Ms. Moni Singh as the Independent Director of the Company. The Nomination and Remuneration Committee in their meeting held on August 26, 2022 had recommended the appointment of Ms. Moni Singh for a period of 5 years till AGM to be held in 2027.

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

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

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with criteria of independence as prescribed under Section 149(6) of the Act and under Regulations 16(1)(b) & 25(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "the SEBI Listing Regulations").

The details of programme for familiarisation of Independent Directors with the Company, their roles, rights, responsibilities in the Company and related matters are put up on the website of the Company [www.escortsfinance.com](http://www.escortsfinance.com).

#### **Corporate Governance**

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

#### **Corporate Social Responsibility (CSR)**

The Company did not fall under any of the criteria of provisions of Section 135 of the Companies Act, 2013. Hence, Company did not require to do CSR expenditure during the financial year 2021-22.

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

Escorts Kubota Limited (Formerly Escorts Limited) is the holding company of the Company. Further, the Company do not have any Subsidiary, Joint Venture or Associate Company.

## **Change in Share Capital**

During the FY 2021-22, there has been no change in the share capital of the Company.

## **Auditors and Auditors' Report**

### **Statutory Auditors**

Pursuant to the provisions of Section 139 of the Act read with Companies (Audit and Auditors) Rules, 2014, the shareholders of the Company in the 29th AGM held on September 26, 2017 had appointed M/s. Kapish Jain & Associates, Chartered Accountants, New Delhi (Firm Registration No. 022743N) as Statutory Auditors of the Company for a period of 5 years i.e. upto the conclusion of AGM to be held in the year 2022.

M/s. Kapish Jain & Associates, Chartered Accountants, New Delhi (Firm Registration No. 022743N), Statutory Auditors of the Company hold office upto the conclusion of this Annual General Meeting and are eligible for re-appointment.

The Board of Directors, at its meeting held on August 30, 2022 on the recommendation of Audit Committee, has recommended the re-appointment of M/s. Kapish Jain & Associates, Chartered Accountants, as Statutory Auditors of the Company, for another period of five (5) years, to hold office from the conclusion of this AGM till the conclusion of the AGM to be held in the year 2027.

The Company has received letter of confirmation from M/s. Kapish Jain & Associates, Chartered Accountants to the effect that their re-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 re-appointment within the meaning of Section 141 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules 2014.

Pursuant to provisions of the Section 143(12) of the Act neither the statutory auditors nor secretarial auditors have reported any incident of fraud to the Audit Committee or the Board during the year under review.

### **Secretarial Auditors**

The Board of Directors of the Company had appointed M/s. Jayant Gupta and Associates, Practicing Company Secretaries to conduct secretarial audit of the Company for the financial year 2021-22. The Secretarial Audit Report for the financial year ended March 31, 2022 is enclosed as **Annexure - E** and forms an integral part of this Report.

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

The qualifications/ observations made by the Statutory Auditors in the Auditors' Report are dealt with separately in the Notes to the Balance Sheet and the Statement of Profit and Loss.

Management response to the same is as under:

The Comments given by the auditors in their report read together with notes to accounts for the financial year ended March 31, 2022 are self-explanatory and hence do not call for any further explanations or comments under section 134 of the Act.

### **Particulars of Employees**

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

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as

**Annexure - C** and forms an integral part of this Report.

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

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

#### **A. Conservation of Energy**

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

#### **B. Technology absorption: N.A**

#### **C. Foreign exchange earnings and outgo**

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

### **Disclosures**

#### **Meetings of the Board**

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

#### **Audit Committee**

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

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

#### **Registrar and Share Transfer Agent**

The Share Transfer and related activities are being carried out by Alankit Assignments Limited, Registrar and Share Transfer Agent (RTA) from the following address:-

#### **Alankit Assignments Limited**

Alankit House 4E/2,  
Jhandewalan Extension,  
New Delhi – 110055

#### **Annual Return**

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

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

During the year under review, no loan, guarantees and securities has been provided. The details of investments made during the year is provided in Note 5 of the Notes to accounts.

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

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

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

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

Your directors draw attention of the members to Note 42 & 43 to the financial statement which sets out related party disclosures.



### **Internal Financial Controls**

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

### **Risk Management**

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

### **Secretarial Standards**

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

### **Prevention of Sexual Harassment**

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

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

National Company Law Tribunal (NCLT) Chandigarh Bench, after hearing the Petition Number- CP No. 67/Chd/Chd/2019, has passed an order, dated May 13, 2022 and directed to issue 95,00,000 - 1% Cumulative Redeemable Preference Shares ("CRPS") in lieu of the redemption of the unredeemed 95,00,000 – 10 % CRPS to Escorts Kubota Limited (Formerly Escorts Limited) .

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

There are no material changes affecting the financial position of the Company subsequent to the close of the financial year ended on March 31, 2022 till the date of this report.

### **Application made or any proceeding pending under the Insolvency and Bankruptcy Code**

As on the date of the Report no application is pending under the Insolvency and Bankruptcy Code, 2016 and the Company did not file any application under (IBC) during the Financial Year 2021-22. Further, the Company has not made any one-time settlement.

### **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, 2022, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed along with proper explanation relating to material departures;
- (ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2022 and of the loss of the Company for the year ended on that date;
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the Directors have prepared the annual accounts for financial year ended March 31, 2022 on a 'going concern' basis;
- (v) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- (vi) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **General**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.

## **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  
Escorts Finance Limited**

**Place: Faridabad  
Dated: August 30, 2022**

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

## **Annexure-A**

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

#### **Introduction**

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

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

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

#### **Criteria for Board Membership**

##### **Directors**

The Company shall take into account following points:

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

##### **Independent Director**

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

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

#### **Appointment and Remuneration**

##### **Directors**

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

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

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

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

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

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

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

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

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

##### **Evaluation Criteria**

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

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

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

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

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

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

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

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

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

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

**II. Board of Directors****(i) Composition and Category of Directors**

The composition of the Board of Directors is in conformity with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time. The Board of Directors along with 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, 2022, 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 SEBI 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 SEBI 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 is 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 March 31, 2022 are as follows:

Name	Director Identification Number (DIN)	Category*	Directorship in other listed entity & Category	No. of Board meetings attended during the year	Whether attended the last AGM 30.09.2021	No. of Directorships in Public Companies* *	Committee Positions held***		No. of shares held
							Membership	Chairmanship	
Mr. Rajeev Khanna	08471497	ECWTD	Nil	5 out of 5	Yes	2	2	-	Nil
Mr. Sumit Raj	07171298	NEID	Nil	5 out of 5	Yes	2	3	2	Nil
Ms. Preeti Chauhan	06567695	NEID	Nil	5 out of 5	Yes	2	3	-	Nil
Mr. Vinod Dixit	01147430	NENID	Nil	5 out of 5	Yes	3	1	-	Nil

\* ECWTD-Executive Chairman and Whole-time Director, NEID- Non Executive Independent Director, NENID-Non Executive Non Independent Director.

\*\* Including Escorts Finance Limited.

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

## (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**

Financial	Leadership of a financial firm or management of the finance function of an enterprise, resulting in proficiency in complex financial management, capital allocation, and financial reporting processes, or experience in actively supervising a principal financial officer, principal accounting officer, controller, public accountant, auditor or person performing similar functions.
Leadership	Expanded lead Expanded leadership experience for a significant enterprise, resulting in a practical understanding of organizations, processes, strategic planning, and risk management. Demonstrated strengths in developing talent, planning succession, and driving change and long term growth.
Mergers and Acquisitions	A history of leading growth through acquisitions and other business combinations, with the ability to assess build or buy decisions, analyse the fit of a target with the Company's strategy and culture, accurately value transactions, and evaluate operational integration plans.
Board service and governance	Service on public company board to develop insights about maintaining board and management accountability, protecting shareholder interests, and observing appropriate governance practices.

The Board is satisfied that the current composition reflects an appropriate mix of knowledge, skills, experience, diversity and independence required for it to function effectively. The Board periodically evaluates the need for change in its composition and size.

The details of directors who have such skills/ expertise/ competence are provided herein below:

<b>Name of Directors</b>	<b>Financial</b>	<b>Leadership</b>	<b>Merger and Acquisitions</b>	<b>Board Service and governance</b>
Mr. Rajeev Khanna	Y	Y	-	Y
Mr. Vinod Dixit	-	Y	Y	Y
Mr. Sumit Raj	Y	Y	Y	Y
Ms. Preeti Chauhan	Y	Y	Y	Y

**(iii) Board Meetings**

During the year ended on March 31, 2022 the Board of Directors met Five (5) times on May 10, 2021, August 2, 2021, October 8, 2021, October 27, 2021 and February 2, 2022.

The gap between any two Board meetings did not exceed 120 days. All the recommendation of Committee(s) of the Board were accepted by the Board.

**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 SEBI 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.

**(iv) Code of Conduct**

The Company has adopted a Code of Conduct for Directors and Senior Management Personnel of the Company. The Code has been circulated to all the members of the Board and Senior Management Personnel 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/ Ma'am,

I hereby confirm that:

The Company has received from the members of the Board and Senior Management Personnel, a declaration of Compliance with the Code of Conduct for Directors and Senior Management Personnel during the Financial Year ended on March 31, 2022.

**Place: Faridabad**  
**Dated: August 30, 2022**

**Sd/-**  
**Rajeev Khanna**  
**Chairman**

### **(v) 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, 2022 the Audit Committee comprises of the following Directors:

<b>Director</b>	<b>Designation</b>	<b>Category</b>
Mr. Sumit Raj	Chairman	Non-Executive Independent Director
Ms. Preeti Chauhan	Member	Non-Executive Independent Director
Mr. Rajeev Khanna	Member	Executive 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 SEBI 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 SEBI Listing Regulations:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditors and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Directors' Responsibility Statement forming part of 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. The Committee has systems and procedures in place to ensure that the Audit Committee periodically reviews:
- Management discussion and analysis of financial condition and results of operations;
  - Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
  - Management letters/ letters of internal control weaknesses issued by the statutory auditors;
  - Internal audit reports relating to internal control weaknesses, if any;
  - Appointment, removal and terms of remuneration of the Chief Internal Auditor, if any;
  - The Financial Statements, in particular, the investments made by the unlisted subsidiaries of the Company, in view of the requirements under the SEBI Listing Regulations;
  - Details of material transactions with related parties, which are not in the normal course of business; and
  - 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.
  - 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 SEBI Listing Regulations 32(7).

The Audit Committee is endowed with the following powers:

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.
- 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 2021-22, Audit Committee met five (5) times on May 10, 2021, August 2, 2021, October 8, 2021, October 27, 2021 and February, 2, 2022.

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)	5	5
Ms. Preeti Chauhan	5	5
Mr. Rajeev Khanna	5	5

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

Mr. Sumit Raj, Chairman of the Audit Committee had attended the last AGM.

The gap between any two consecutive audit committee meetings did not exceed 120 days.

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

##### **Constitution**

As on March 31, 2022 the Nomination & Remuneration 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. 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 SEBI 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 on 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.

## **Evaluation Criteria**

The Evaluation Criteria is posted on the website of the Company and can be accessed at [www.escortsfinance.com](http://www.escortsfinance.com).

## **Meetings and Attendance**

During the financial year 2021-22, Nomination & Remuneration Committee met two (2) times on August 2, 2021 and February 2, 2022.

Mr. Vicky Chauhan, Company Secretary, acts as Secretary to the Committee. Mr. Sumit Raj, Chairman of the Committee had attended the last AGM.

## **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, 2021 to March 31, 2022 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. Rajeev Khanna	*	20,000
2.	Mr. Vinod Dixit	*	10,000
3.	Mr. Sumit Raj	*	20,000
4.	Ms. Preeti Chauhan	*	20,000
<b>Total</b>			<b>70,000</b>

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

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

As on March 31, 2022, none of the Directors of the Company held any share in the Company.

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

### **Constitution**

As on March 31, 2022 the Stakeholders' Relationship Committee comprises of the following Directors:

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

### **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.

### **Meetings and Attendance**

During the financial year 2021-22, 3 (Three) meetings of the Stakeholders' Relationship Committee were held on August 2, 2021, October 27, 2021, and February 2, 2022.

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

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

### **Compliance Officer**

Mr. Vicky Chauhan, Company Secretary, acts as Secretary to the Committee. He is also acts as Compliance Officer of the Company as per the requirements of the provisions of SEBI Listing Regulations.

Mr. Sumit Raj, Chairman of the Stakeholders' Relationship Committee had attended the last AGM.

### **Whole-time Director**

As on March 31, 2022, Mr. Rajeev Khanna is the Whole-time Director of the Company as per Section 203 of the Companies Act, 2013.

### **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 2021-22 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, 2022.

### **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.

## VII. 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.

## VIII. 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
2020-21	Held through through Video Conferencing	Thursday, September 30, 2021	3:00 P.M.	One
2019-20	Held through through Video Conferencing	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

### Special Resolution passed through Postal Ballot

During the financial year 2021-22, the Company has not passed any Special Resolution through Postal Ballot.

### Procedure for Postal Ballot

The postal ballot was carried out as per the applicable provisions of the Act read with the relevant rules and circulars issued by the Ministry of Corporate Affairs.

## IX. 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, 2022 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/ RBI 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. Disclosure regarding skills/ expertise and competence of the Board of Directors is available on website of the Company
- j. The Board has accepted all the recommendations of the Board Committee which are mandatorily required in relevant financial year.
- k. There has been no instance of non-compliance of any requirement of Corporate Governance report as prescribed under SEBI LODR.

#### **X. Means of Communication**

The Company has been sending Annual Report, Notices and other communications to each shareholder through e-mail, post and/ or courier. However, owing to COVID 19 Pandemic situation and in accordance with circulars issued by the Ministry of Corporate Affairs (MCA) and Securities and Exchange Board of India (SEBI) Notice and Annual report for FY 2020-21 were sent to the shareholder only through e-mail. Further, owing to the continued pandemic situation and in terms of circulars of the MCA and SEBI, the notice and Annual Report for the FY 2021-22 are also being sent through e-mail only. Notice and Annual Report shall also be available on the website of the Company.

The quarterly/ annual results of the Company as per the requirement of SEBI Listing Regulations, are generally published in the Financial Express (English), Jansatta (Hindi). Quarterly and Financial Results, along with segment reporting, if any, and quarterly shareholding pattern are posted on the Company's website [www.escortsfinance.com](http://www.escortsfinance.com), and intimated to stock exchange.

All periodical and other fillings etc. are filed electronically through BSE Corporate Compliance and Listing Centre (BSE Listing Centre) and are updated on the Company's website. Investor Complaints are redressed through SEBI Complaints Redressal System (SCORES) and updated on the Company's website.

#### **XI. Investors Communication**

All enquiries relating to transfer, transmission, transposition, demat, remat, split, consolidation, nomination, change of address etc. can be addressed to RTA i.e. Alankit Assignments Limited or e-mail: [einward\\_rta@alankit.com](mailto:einward_rta@alankit.com) or sent by post at Alankit Heights, 4E/2, Jhandewalan Extension, New Delhi – 110055.

#### **XII. Nomination Facility**

Shareholders can file their nominations against shares held under physical mode as well as electronic mode. The facility of nomination is not available to non-individual shareholders such as societies, trusts, bodies corporate, karta of Hindu Undivided families and holders of Powers of Attorney. The shareholders, who are holding shares in physical form and wish to avail this facility, may send prescribed Nomination Form SH-13 duly filled and signed to RTA.

#### **XIII. Commodity price risk or foreign exchange risk and hedging activities**

There are not any kind of foreign currency exposure and hedging.

#### **XIV. Prevention of Insider Trading**

In accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulation, 2015, as amended, the Company has instituted a comprehensive Code of Conduct for prevention of insider trading, in the Company's shares and code of practice and procedure for fair disclosure of unpublished price sensitive information.

#### **XV. 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	:	Friday, September 30, 2022
Time	:	03:00 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 SEBI Listing Regulations are provided in the Notice of the Annual General Meeting.

**(v) Financial Calendar 2022-23 (tentative)**

Meetings of Board/ Committee thereof to take on record:

Financial results for quarter ended September 30, 2022	:	By November 14, 2022
Financial results for quarter ended December 31, 2022	:	By February 14, 2022
Financial results for quarter/ year ended March 31, 2023	:	By May 30, 2023
Financial results for quarter ended June 30, 2023	:	By August 14, 2023

**(vi) Annual General Meeting for the Financial Year ending March, 2023:** By September 30, 2023.

**(vii) Book Closure**

The members register will be closed from September 23, 2022 to September 30, 2022 (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, 2022 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 Limited, Category I Registrar and Transfer Agents having office at Alankit House, 4E/2, Jhandewalan Extension, New Delhi – 110055.

**(xii) Share Transfer System**

The Company has appointed Alankit Assignments Limited 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, 2022 were as follows:

Month	High		Low	
	BSE Sensex	Share price (in Rs.)	BSE Sensex	Share price (in Rs.)
April 2021	50,375.77	4.03	47,204.50	3.04
May 2021	52,013.22	5.23	48,028.07	3.43
June 2021	53,126.73	6.64	51,450.58	4.52
July 2021	53,290.81	5.29	51,802.73	4.02
August 2021	57,625.26	4.85	52,804.08	3.7
September 2021	60,412.32	5.7	57,263.90	3.78
October 2021	62,245.43	5.55	58,551.14	4.51
November 2021	61,036.56	7.32	56,382.93	4.7
December 2021	59,203.37	7.68	55,132.68	6.58
January 2022	61,475.15	6.26	56,409.63	5.14
February 2022	59,618.51	6.9	54,383.20	4.66
March 2022	58,890.92	7.24	52,260.82	6.46

**(xiv) Distribution of Shareholding as on March 31, 2022: -**

No. of shares	No. of shareholders	No. of shares held	% of Total
1-500	22,389	27,38,977	6.80
501-1000	995	8,75,092	2.17
1001-2000	493	7,92,610	1.97
2001-3000	198	5,12,729	1.27
3001-4000	91	3,29,319	0.82
4001-5000	121	5,82,539	1.45
5001-10000	195	15,22,366	3.78
10001-9999999999	108	3,28,96,368	81.73
<b>Total</b>	<b>24,590</b>	<b>4,02,50,000</b>	<b>100.00</b>

**(xv) Shareholding Pattern as on March 31, 2022:**

Category	No. of Share-holders	No. of Shares held	% to the Capital
<b>Promoter &amp; Promoter Group:</b>			
a) Indian	5	2,80,23,178	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	85	23,86,486	5.93
b) Indian Public	24,261	92,35,043	22.94
c) NRIs/ OCBs etc.	40	1,21,440	0.30
d) Others	199	4,83,853	1.20
<b>TOTAL</b>	<b>24,590</b>	<b>4,02,50,000</b>	<b>100.00</b>

**(xvi) Dematerialisation**

As on March 31, 2022, dematerialized shares accounted for 95.86% (95.84% up to March 31, 2021) of the total equity shares.

**(xvii) Shares Liquidity**

The trading volumes at BSE Limited during the financial year ended March 31, 2022 are as follows:

<b>Month</b>	<b>No. of Shares</b>	<b>Value (in Rs.)</b>
April 2021	1,45,314	5,28,596
May 2021	4,28,302	19,03,015
June 2021	3,92,045	21,18,477
July 2021	3,16,207	14,69,593
August 2021	2,77,639	11,94,087
September 2021	4,92,586	23,54,914
October 2021	3,97,355	19,64,454
November 2021	4,42,778	26,74,471
December 2021	3,37,633	23,78,478
January 2022	1,31,903	7,66,123
February 2022	2,33,052	12,87,095
March 2022	22,089	1,55,310

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

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

**(xix) Plant Location**

There is no manufacturing location for the Company.

**(xx) Address for correspondence:**

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

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

Alankit Assignments Limited  
Alankit Heights, 4E/2  
Jhandewalan Extension  
New Delhi – 110055  
Tel.- +91-11-42541953,  
Fax: +91-11-23552001  
Email-id:- rta@alankit.com,

**(xxii) 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	Shareholders' rights: Half-yearly financial performance and summary of significant events may be sent to each household of shareholders.	The said information is available on Company's website.
3	Audit qualifications: The Company may move towards the regime of unqualified financial	Adopted.
4	Reporting of Internal Auditor	The Internal Auditors reports to the Audit Committee from time to time.

**Certificate on Corporate Governance**

Pursuant to Schedule V of the SEBI Listing Regulations, the certificate from practicing Chartered Accountants on Corporate Governance will be annexed hereinafter.

**For and on behalf of the Board  
Escorts Finance Limited**

**Place: Faridabad  
Dated: August 30, 2022**

**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, 2022.

To,  
**The Board of Directors**  
**Escorts Finance Limited**

Dear Sir/ Ma'am,

We, Rajeev Khanna, Whole-Time Director and Donald Fernandez, Chief Financial Officer of the Company 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, 2022 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 9, 2022**

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

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

## **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, 2022 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, 2022

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: New Delhi**  
**Dated: August 30, 2022**

**Sd/-**  
**CA Kapish Jain**  
**Partner**  
**M.No. 514162**  
**UDIN : 22514162ARDQRZ4677**

## Annexure-C

### 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 2021-22 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2021-22, 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	0.20	25%	0.07
2.	Mr. Sumit Raj, Non-Executive Director	0.20	25%	0.07
3.	Ms. Preeti Chauhan, Non-Executive Director	0.20	25%	0.07
4.	Mr. Vinod Dixit, Non-Executive Director	0.10	25%	0.03
5.	Mr. Donald Fernandez, Chief Financial Officer	7.20	N.A.	Not Applicable
6.	Mr. Vicky Chauhan, Company Secretary	0.00	N.A.	

- ii. In the financial year, there was no increase in the median remuneration of employees.
- iii. There were 2 permanent employees on the rolls of the Company as on March 31, 2022.
- iv. Average percentage/percentile increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2021-22-N.A. as median remuneration decreased during the year, whereas no managerial remuneration was paid during the financial year.
- v. The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel, Senior Management and other Employees.
- vi. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year – Not Applicable; and
- vii. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

**For and on behalf of the Board of Directors  
Escorts Finance Limited**

**Place: Faridabad  
Dated: August 30, 2022**

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

## Annexure-D

### Form No. AOC-2

**(Pursuant to Section 134(3)(h) of the Companies Act, 2013 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 Section 188(1) 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  
Escorts Finance Limited**

**Sd/-**

**Rajeev Khanna  
Chairman  
DIN: 08471497**

**Place: Faridabad  
Dated: August 30, 2022**

## Annexure-E

**FORM NO. MR-3**  
**Secretarial Audit Report**  
**(For the Financial Year ended March 31, 2022)**

[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**  
**Plot No. 19, Industrial Area**  
**Phase 2**  
**Chandigarh -160002**

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

Based on my verification of Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2022 ("Audit Period"), complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by EFL for the Financial Year ended on March 31, 2022 according to the provisions of:
  - I. The Companies Act, 2013 ('the Act') and the Rules made thereunder;
  - II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
  - III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment;
  - V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
    - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
    - d. The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015;
    - e. 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;
    - f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the Audit Period);
    - g. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable to the Company during the Audit Period);

## Annexure-E

- h. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (Not Applicable to the Company during the Audit period).
- i. The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 (Not applicable to the Company during the Audit Period);
- j. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; and
- k. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (Not Applicable to the Company during the Audit period).

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

2. During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the observations that :
  - (i) At the end of Financial Year on March 31, 2021, there was unclaimed/ unpaid fixed deposit liability of around Rs. 1060.18 Lacs overdue and pending to be deposited with Investor Education and Protection Fund. The RBI advised the Company via email dated January 27, 2022 to deposit the outstanding liability payable to public depositors into the Investors Education and Protection Fund ("IEPF"), and submit a certificate from the Statutory Auditors certifying that the entire liability of the Company towards the public depositors has been extinguished. Escorts Benefit Trust ("EBT") created by Escorts Kubota Limited (Formerly Escorts Limited), the holding company, was maintaining adequate funds to repay the matured unpaid fixed deposit liability and the interest thereon, in terms of the directions of the Hon'ble Delhi High Court. Rs.1,056.22 lacs were duly deposited with the Investors Education and Protection Fund on February 2, 2022, extinguishing the entire liability of the Company towards the public depositors.
  - (ii) The application of the Company to the Central Government for condoning delay in filing of e-Form MGT-14, in respect of appointment of a Key Managerial Person on the Board of the Company on June 4, 2019, was filed again by the Company due to some inadvertent filing error which had crept in the earlier approved application. The Company was in the process of seeking condonation of delay with the Central Government at the year end. The management has informed that the process has been completed in the current financial year.
3. I further report that:
  - a. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act, subject to para 2(i) as stated above.
  - b. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance or at a shorter notice with requisite consent, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
  - c. Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

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

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

1. During the Financial Year 2018-19, the Company filed a petition before the National Company Law Tribunal, Chandigarh Bench (NCLT) seeking permission for issuance of 1% Cumulative Redeemable Preference Shares with the new terms and conditions in place of existing 10% Cumulative Redeemable Preference Shares. The Company had issued and allotted 95,00,000 - 10% Cumulative Redeemable Preference Shares with face value

## Annexure-E

of Rs. 10 each, aggregating to Rs. 9,50,00,000 to Escorts Limited (presently known as Escorts Kubota Limited) vide resolution of the Committee of Directors of the Company for Banking and Legal Matters dated March 31, 1999 and these Cumulative Redeemable Preference Shares matured on March 30, 2019. Due to liquidity crunch, the said liability could not be discharged before or on the due date for the redemption. The Company received no objection from the Cumulative Redeemable Preference Shares holders for further issue of 1% Cumulative Redeemable Preference Shares for a period of 20 years in lieu of the existing 10% Cumulative Redeemable Preference Shares and accordingly moved a petition before the NCLT. The aforesaid matter was still pending before the NCLT at the end of the review period. The management has informed that a favourable order has been received from the Tribunal in the current financial year.

2. At the Board Meeting held on October 8, 2021, it was decided to seek premature redemption of 7,30,000, 10% non cumulative redeemable preference shares of Rs. 10 each and 1,97,250, 4% non cumulative redeemable preference shares of Rs. 100 each, held in Allgrow Finance and Investments Private Limited, due for redemption in years 2035 and 2023 respectively.

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

For **Jayant Gupta and Associates**

**Sd/-  
(Jayant Gupta)**

**Practicing Company Secretary**

**FCS : 7288**

**CP : 9738**

**UDIN:F007288D000874165**

**Place : New Delhi**

**Date : August 30, 2022**



**Annexure to the Secretarial Audit Report of Escorts Finance Limited for Financial Year ended March 31, 2022**

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 also relied upon the books, records and documents made available by the Company to us through electronic means and in digital format.
4. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company. The compliance of applicable financial laws including Direct and Indirect Tax laws by the Company has not been reviewed in this Audit as same are subject to review by the Statutory Auditors and other designated professionals.
5. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
6. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedure on test basis.
7. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Jayant Gupta and Associates**

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

**Place : New Delhi**  
**Date : August 30, 2022**

# INDEPENDENT AUDITOR'S REPORT

To the Members of **Escorts Finance Limited**

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

### **Opinion**

We have audited the accompanying standalone financial statements of **Escorts Finance Limited ("the Company")** which comprises the Balance Sheet as at 31 March 2022, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("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 31 March 2022 and loss, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

### **Basis for Opinion**

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

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

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditor's report thereon. The Company's annual report is expected to be made available to us after the date of this auditor's report.

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

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

When we read the Company's annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matters to those charged with governance and take necessary actions, as applicable under the relevant law and regulations.

### **Management's and Board of Director's Responsibilities for the Standalone Financial Statements**

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with accounting principles generally accepted in India, including Indian

Accounting Standards (Ind AS) prescribed under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to Standalone Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

### **Emphasis of Matters**

- (a)** the Company had accumulated losses at the close of the financial year with its net worth continuing to stand fully eroded and, however, the financial statements have been prepared on a going concern basis for reasons explained by the management, including the possibilities of considering various options to undertake suitable business(s) and exploring the options of revival or restructuring of the Company. We have relied on the representation made to us by the management.
- (b)** the Escorts Benefit Trust on behalf of the Company has deposited entire outstanding liability towards unclaimed fixed deposits and interest thereon of Rs. 1056.22 with the Investor Education & Protection Fund on 2 February 2022 through demand draft and accordingly challan in form IEPF-1 has been submitted to Ministry of Corporate Affairs.
- (c)** the Company is no longer registered with Reserve Bank of India (RBI) as Non-Banking Financial Institution (NBFI) after cancellation of its earlier registration vide RBI letter no DNBS(NDI) S.3242/MSA/06.05.001/2015-16 dated 6th May 2016. Accordingly, the related provisions pertaining to NBFI are currently not applicable to the Company.
- (d)** the Company had issued 10% Cumulative Redeemable Preference Shares of Rs. 10 each maturing on 30 March 2019. Due to liquidity crunch, the discharge the said liability before or on due date of redemption has not been done. The Company has received a No Objection Certificate from the preference share holder extending the maturity period of said Preference Shares for a further period of 20 years. Accordingly, the Company has filed a petition before National Company Law Tribunal (NCLT) on 29 March 2019 seeking issuance of 1% Cumulative Redeemable Preference Shares in place of said Preference Shares with new terms and conditions. This aforesaid matter is pending to be decided before NCLT and the order for the same is reserved as per hearing conducted on 01 April 2022.
- (e)** Since the matter related to issuance of 1% Cumulative Redeemable Preference Shares in place of existing 10% Cumulative Redeemable Preference Shares is pending before NCLT, therefore, the Company has not made any provision for interest payable on the borrowed amount.

Our opinion is not modified in respect of these matters.

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

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of change in equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.
  - (e) The matter described in sub-paragraph (a) under the Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
  - (f) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (g) With respect to the adequacy of the Internal Financial Control with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in the "Annexure B".
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 23(c) to the Standalone financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. The Company has deposited amount of Rs. 1056.22 lacs to the Investor Education and Protection Fund against unpaid fixed deposit liabilities including interest thereon as referred to in Note 34 to the Standalone financial statements.
    - iv. The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other

sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;

The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and

Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under subclause (a) and (b) above contain any material mis-statement.

- v. The Company has not declared or paid any dividend during the year ended 31 March 2022.
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

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

For **Kapish Jain & Associates,**

*Chartered Accountants*  
*Firm's Registration No.: 022743N*

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

Membership No. 514162  
UDIN: 22514162AIRKII4333

**Place:** Faridabad  
**Date:** 9 May 2022

## **ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in Paragraph 1 under "Report on Other Legal and Regulatory Requirements" section of the Independent Auditor's Report of even date to the members of Escorts Finance Limited on the standalone financial statements for the year ended 31 March 2022)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
  - (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the property, plant and equipment have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification program adopted by the Company, is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not own any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, reporting under clause 3(i)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting under clause 3(i)(e) of the Order is not applicable to the Company.
- (ii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not hold any inventory during the year. Accordingly, reporting under clause 3(ii)(a) of the Order are not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned a working capital limit in excess of Rs 5 crore by bank or financial institution based on the security of current assets during the year. Accordingly, reporting under clause 3(ii)(b) of the Order are not applicable.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investment provided guarantee or security, or granted any advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnerships or any others parties during the year. Accordingly, reporting under clause 3(iii) of the Order are not applicable.
  - (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not granted any loan to its subsidiaries or others during the year.
  - (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, we are in opinion that the terms and conditions of the loan given are, prima facie, not prejudicial to the interest of the Company.
  - (c) In respect of loans and advances in the nature of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments/receipts of principal and interest are regular.
  - (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than 90 days in respect of loans granted to companies, firms, LLPs or other parties.

- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loan which has fallen due during the year. Further, no fresh loans were granted to any party to settle the overdue loans.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loan which is repayable on demand or without specifying any terms or period of repayment.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not deal with any loans, investments, guarantees and security under the provisions of sections 185 and 186 of the Act. Accordingly, Clause 3(iv) of the Order is not applicable to the Company.
- (v) In our opinion, and according to the information and explanations given to us, the Company had accepted deposits from public in earlier years within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended) and was not complied with the said norms in relation to repayment of deposit on their respective maturity dates. Consequently, M/s Escorts Benefit Trust ("EBT"), created by Escorts Limited to repay the matured unpaid fixed deposit liability, in terms of the direction of Hon'ble Delhi High Court. EBT has settled the claims to the extent of Rs.3.96 lacs by repayment to respective fixed deposit holders during the year ended 31 March 2022. Further, entire outstanding liability towards unclaimed fixed deposits including interest thereon of Rs. 1056.22 lacs have been deposited with the Investor Education Protection Fund on 2 February 2022.
- (vi) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's products/business activity. Accordingly, reporting under clause 3(vi) of the Order is not applicable.
- (vii) (a) In our opinion, and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities by the Company, though there have been slight delays in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, following statutory dues (details with regard to matters under litigations have been made based upon the management representation) referred to in subclause (a) above that have not been deposited with the appropriate authorities on account of any dispute.

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

- (viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts during the year.
- (ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender during the year.
- (b) According to the information and explanations given to us including confirmations received from banks and financial institution, representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution.



- (c) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of term loans during the year and did not have any term loans outstanding at the beginning of the current year. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.
- (d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have not been utilized for long term purposes.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries. Since the Company does not have any subsidiaries, associates or joint venture, accordingly, reporting under clause 3(ix)(e) of the Order is not applicable to the Company.
- (f) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiary companies. Since the Company does not have any subsidiaries, associates or joint venture, accordingly, reporting under clause 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debenture during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit.
- (b) No report under section 143(12) of the Act has been filed with the Central Government for the period covered by our audit.
- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company, with the related parties are in compliance with section 177 and 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standard
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system which is commensurate with the size and nature of its business.
- (b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under review.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them and accordingly, provisions of section 192 of the Act are not applicable to the Company.
- (xvi) To the best of our knowledge and belief and according to the information and explanations given to us, the Company was registered under section 45-IA of the Reserve Bank of India Act, 1934. The approval for cancellation of its NBFC registration was received vide letter no. DNBS(NDI)S.3242/MSA/06.05.001/2015-16 dated May 6, 2016. Accordingly, the related provisions pertaining to NBFI and reporting under clause 3(xvi) of the Order is not applicable to the Company.
- (xvii) The Company has incurred cash losses in the current financial year and in the immediately preceding financial year amounting to Rs. 12.48 lacs and Rs. 21,864.40 lacs respectively.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause

3(xviii) of the Order is not applicable to the Company.

- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) According to the information and explanations given to us, the Company does not fulfil the criteria as specified under section 135(1) of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and according, reporting under clause 3(xx) of the Order is not applicable to the Company.
- (xxi) The reporting under clause 3(xxi) is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

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

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

Membership No. 514162  
UDIN: 22514162AIRKII4333

**Place:** Faridabad  
**Date:** 9 May 2022

## **ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in Paragraph 2 clause (g) under “Report on Other Legal and Regulatory Requirements” section of the Independent Auditor’s Report of even date to the members of Escorts Finance Limited on the standalone financial statements for the year ended 31 March 2022)

Independent Auditor’s Report on the Internal Financial Controls with reference to the Standalone Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the standalone financial statements of Escorts Finance Limited (“the Company”) as at and for the year 31 March 2022, we have audited the internal financial controls with reference to financial statements of the Company on that date.

### **Responsibilities of Management for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by the Institute of Chartered Accountants of India (“ICAI”) and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal financial controls over financial reporting and their operating effectiveness. Our audit of Internal financial controls over financial reporting included obtaining an understanding of Internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s Internal financial controls over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

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

### Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of Internal Financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected, Also projections of any evaluation of the internal financial controls over financial reporting to future period are subject to the risk that Internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls systems over financial reporting and such internal financial controls systems over financial reporting were operating effectively as at 31 March 2022, based on internal financial controls systems over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of internal financial controls systems over financial reporting issued by the Institute of Chartered Accountants of India.

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

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

Membership No. 514162  
UDIN: 22514162AIRKII4333

**Place:** Faridabad  
**Date:** 9 May 2022

# BALANCE SHEET AS AT 31 MARCH, 2022

(All amounts in Lacs unless stated otherwise)

Particulars	Note No.	As at	As at
		31 March, 2022	31 March, 2021
<b>Assets</b>			
<b>1 Non-current assets</b>			
a. Property, plant and equipment	3	0.11	0.11
b. Other intangible assets	4	0.09	0.09
c. Financial assets			
i. Investments	5	-	167.10
ii. Other financial assets	6	-	-
d. Other non-current assets	7	-	86.36
e. Income tax assets		63.98	63.22
<b>Total non current assets</b>		<b>64.18</b>	<b>316.88</b>
<b>2 Current assets</b>			
a. Financial assets			
i. Investments	5	-	-
ii. Trade receivables	8	-	8.00
iii. Cash and cash equivalents	9	389.85	0.56
iv. Other financial assets	6	7.44	4.82
b. Other current assets	7	3.42	18.04
<b>Total current assets</b>		<b>400.71</b>	<b>31.42</b>
<b>3 Assets held for sales</b>	10	-	137.09
<b>Total assets</b>		<b>464.89</b>	<b>485.39</b>
<b>Equity and liabilities</b>			
<b>1 Equity</b>			
a. Equity share capital	11	4,017.25	4,017.25
b. Other equity	12	(21,876.88)	(21,864.40)
<b>Total equity</b>		<b>(17,859.63)</b>	<b>(17,847.15)</b>
<b>2 Liabilities</b>			
<b>Non-current liabilities</b>			
a. Financial liabilities			
i. Borrowings	13	-	-
ii. Other financial liabilities	14	15,862.04	14,801.86
b. Provisions	15	2.70	2.55
<b>Total non-current liabilities</b>		<b>15,864.74</b>	<b>14,804.41</b>
<b>Current liabilities</b>			
a. Financial liabilities			
i. Borrowings	13	950.00	950.00
ii. Other financial liabilities	14	1,498.22	2,565.31
b. Provisions	15	0.06	0.05
c. Current tax liabilities		9.73	9.73
d. Other current liabilities	16	1.77	3.04
<b>Total current liabilities</b>		<b>2,459.78</b>	<b>3,528.13</b>
<b>Total equity and liabilities</b>		<b>464.89</b>	<b>485.39</b>

See accompanying notes to the financial statements

In terms of our report attached

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

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

Place: Faridabad  
Date: 09 May 2022

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

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

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

**Sumit Raj**  
Director  
DIN: 07171298

**Donald Fernandez**  
Chief Financial Officer  
PAN AAAPF9140N

## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31 MARCH, 2022

(All amounts in Lacs unless stated otherwise)

Particulars	Note No.	For the year ended 31 March, 2022	For the year ended 31 March, 2021
<b>I</b> Revenue from operations	17	12.26	0.01
<b>II</b> Other income	18	17.69	27.31
<b>III Total income</b>		<u>29.95</u>	<u>27.32</u>
<b>IV Expenses</b>			
Employee benefits expense	19	7.01	14.94
Depreciation and amortisation expense	20	-	-
Finance cost	21	-	-
Other expenses	22	35.50	13.43
<b>Total expenses (IV)</b>		<u>42.51</u>	<u>28.37</u>
<b>V Profit/(Loss) before tax (III-IV)</b>		<b>(12.56)</b>	<b>(1.05)</b>
<b>VI Tax expense</b>			
Current tax		-	-
Deferred tax credit	37	-	-
		<u>-</u>	<u>-</u>
<b>VII Profit/(Loss) (V-VI)</b>		<b>(12.56)</b>	<b>(1.05)</b>
<b>VIII Other comprehensive income</b>			
Items that will not be reclassified to profit and loss		0.08	3.79
Income Tax relating to Items that will not be reclassified to profit and loss		-	-
<b>IX Total comprehensive income (VII+VIII)</b>		<u>(12.48)</u>	<u>2.74</u>
<b>X Earning per equity share</b>			
Equity shares of face value Rs. 10 each			
Basic (in Rupees)	44	(0.031)	(0.003)
Diluted (in Rupees)	44	(0.031)	(0.003)

**See accompanying notes to the financial statements**

In terms of our report attached

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

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

Place: Faridabad  
Date: 09 May, 2022

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

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

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

**Sumit Raj**  
Director  
DIN: 07171298

**Donald Fernandez**  
Chief Financial Officer  
PAN AAAPF9140N

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2022

(All amounts in Lacs unless stated otherwise)

### A. Equity share capital

Particulars	No. of shares	Amount
Equity shares of Rs. 10 each issued and subscribed		
<b>Balance as at 1 April 2020</b>	<b>4,02,50,000</b>	<b>4,017.25</b>
Issue of equity share capital	-	-
<b>Balance as at 31 March 2021</b>	<b>4,02,50,000</b>	<b>4,017.25</b>
Issue of equity share capital	-	-
<b>Balance as at 31 March 2022</b>	<b>4,02,50,000</b>	<b>4,017.25</b>

### B. Other equity

Particulars	Retained earnings	Equity instruments through other comprehensive income	Total
<b>Balance as at 1 April 2020</b>	<b>(21,815.28)</b>	<b>(51.86)</b>	<b>(21,867.14)</b>
Changes in accounting policy or prior period errors	-	-	-
Restated balance at the beginning of the reporting period	-	-	-
Total Comprehensive Income for the year	-	-	-
Profit for the year	(1.05)	-	(1.05)
Remeasurement benefit of defined benefit plans	-	-	-
Other comprehensive income for the year, net of income tax	-	3.79	3.79
<b>Balance as at 31 March 2021</b>	<b>(21,816.33)</b>	<b>(48.07)</b>	<b>(21,864.40)</b>
Profit/(loss) for the year	(12.56)	-	(12.56)
Remeasurement benefit of defined benefit plans	0.08	-	0.08
Other comprehensive income for the year, net of income tax	-	-	-
<b>Balance as at 31 March 2022</b>	<b>(21,828.81)</b>	<b>(48.07)</b>	<b>(21,876.88)</b>

See accompanying notes to the financial statements

In terms of our report attached

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

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

Place: Faridabad  
Date: 09 May, 2022

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

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

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

**Sumit Raj**  
Director  
DIN: 07171298

**Donald Fernandez**  
Chief Financial Officer  
PAN AAAPF9140N

## STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH, 2022

(All amounts in Lacs unless stated otherwise)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
<b>A. Cash flow from operating activities</b>		
<b>Profit/(loss) after tax</b>	(12.48)	2.74
<b>Adjustments for :</b>		
Income tax expense recognised in profit or loss	-	-
Depreciation of plant, property and equipment	-	-
Excess provision/liability written back	(12.20)	-
Provision for Gratuity & Leave Encashment	0.16	0.45
Finance cost	-	-
	(24.52)	3.19
<b>Changes in assets and liabilities</b>		
(Increase)/decrease in other financial assets and inventory	(2.62)	(0.26)
(Increase)/decrease in trade receivables	8.00	(5.40)
(Increase)/decrease in current tax assets	(0.76)	(1.04)
(Increase)/decrease in other assets	(2.67)	(3.85)
Increase/(decrease) in trade payable	-	-
Increase/(decrease) in current tax liabilities (net)	-	-
Increase/(decrease) in other liabilities	1,055.79	0.60
<b>Cash generated from operating activities</b>	1,033.22	(6.76)
Financial Expenses	-	-
<b>Net cash generated from operating activities</b>	1,033.22	(6.76)
<b>B. Cash Flow from Investing Activities</b>		
Sale of Investment	416.25	-
<b>Net cash generated from/(used in) investing activities</b>	416.25	-
<b>C. Cash flows from financing activities</b>		
Increase/(Decrease) in Fixed Deposits (matured/unclaimed)	(1,060.18)	(9.66)
Net cash generated from/(used in) financing activities	(1,060.18)	(9.66)
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	389.29	(16.42)
Cash and cash equivalents at the beginning of year	0.56	16.98
<b>Cash and cash equivalents at the end of year</b>	389.85	0.56

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

2) Figures in brackets indicate cash outflow.

See accompanying notes to the financial statements

In terms of our report attached  
**For Kapish Jain & Associates,**  
Chartered Accountants  
Firm's Registration No. 022743N

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

Place: Faridabad  
Date: 09 May, 2022

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

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

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

**Sumit Raj**  
Director  
DIN: 07171298

**Donald Fernandez**  
Chief Financial Officer  
PAN AAAPF9140N



## NOTES TO THE FINANCIAL STATEMENTS

### 1 Corporate Information

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

### 2 Significant Accounting Policies :

#### 2.1 Statement of compliance

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

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

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

#### 2.2 Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

#### 2.3 Basis of preparation and presentation

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

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

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

## NOTES TO FINANCIAL STATEMENTS (Contd...)

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

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

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

### 2.4 Use of estimates

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

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

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

#### Valuation of deferred tax assets

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

### 2.5 Revenue recognition

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

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

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

## NOTES TO FINANCIAL STATEMENTS (Contd...)

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

### 2.6 Foreign currencies

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

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

### 2.7 Employee benefits

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

#### 2.7.1 Defined contribution plans

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

#### 2.7.2 Defined benefit plans

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

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

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

#### Other long-term employee benefits

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

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

#### Short-term employee benefits

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

## NOTES TO FINANCIAL STATEMENTS (Contd...)

### 2.8 Taxation

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

#### 2.8.1 Current tax

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

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

#### 2.8.2 Deferred tax

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

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

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

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

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

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

### 2.09 Inventories

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

### 2.10 Property plant and equipment

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

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

## NOTES TO FINANCIAL STATEMENTS (Contd...)

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

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

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

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

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

### 2.11 Intangible assets

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

### 2.12 Impairment of tangible and intangible assets

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

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

### 2.13 Provisions

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

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

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

## NOTES TO FINANCIAL STATEMENTS (Contd...)

### 214 Financial Instruments

#### A. Initial recognition

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

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

#### Cash and cash equivalents

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

#### B. Subsequent measurement

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

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

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

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

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

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

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

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

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

## NOTES TO FINANCIAL STATEMENTS (Contd...)

### **d. Financial liabilities**

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

### **II. Share capital**

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

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

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

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

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

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

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

## NOTES TO FINANCIAL STATEMENTS (Contd...)

(All amounts in Lacs unless stated otherwise)

### 3 Property, plant and equipment

	As at 1 April 2021	Additions	Adjustments	Deletions	As at 31 March 2022
<b>Cost</b>					
Furniture and fixtures	1.37	-	-	-	1.37
Office equipment	14.51	-	-	-	14.51
<b>Total</b>	<b>15.88</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15.88</b>
<b>Depreciation</b>					
Furniture and fixtures	1.35	-	-	-	1.35
Office equipment	14.42	-	-	-	14.42
<b>Total</b>	<b>15.77</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15.77</b>
<b>Carrying amounts</b>					
Furniture and fixtures	0.02	-	-	-	0.02
Office equipment	0.09	-	-	-	0.09
<b>Total</b>	<b>0.11</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.11</b>

#### **Verification of property, plant & equipment**

Refer Note 25 for physical verification of property, plant and equipment carried out during the year.

#### **Depreciation of property, plant & equipment**

Refer Note 26 for depreciation of property, plant and equipment.

### 4 Intangible assets

	As at 1 April 2021	Additions	Adjustments	Deletions	As at 31 March 2022
<b>Cost</b>					
Website Development	0.53	-	-	-	0.53
<b>Total</b>	<b>0.53</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.53</b>
<b>Depreciation</b>					
Website Development	0.44	-	-	-	0.44
<b>Total</b>	<b>0.44</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.44</b>
<b>Carrying amounts</b>					
Website Development	0.09	-	-	-	0.09
<b>Total</b>	<b>0.09</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.09</b>

#### **Amortisation of intangible assets**

Refer Note 26 for amortisation of intangible assets.



## NOTES TO FINANCIAL STATEMENTS (Contd...)

(All amounts in Lacs unless stated otherwise)

### 5 Investments

	As at 31 March, 2022	As at 31 March, 2021
<b>Non-current investments</b>		
<b>Investment carried at cost</b>		
<b>Preference shares €</b>	-	167.10
	-	<b>167.10</b>
<b>Current investments</b>		
Fully paid equity shares (unquoted)	7.42	7.42
Less: Provision for Diminution in Value of Trade Investments	7.42	7.42
	-	-

€ Refer Note 40 for redemption of preference shares.

#### Details of investment is as follows:

<b>Non-current investments</b>	-	-
<b>Others (in preference shares) - At Amortised Cost</b>		
All Grow Finance & Investment Private Limited Nil 10% non-cumulative redeemable Preference Shares of Rs. 10/- each; Redeemable on or before 26.03.2035 (31st March 2021 : 7,30,000 shares)"	-	<b>19.10</b>
All Grow Finance & Investment Private Limited Nil 4% non- cummulative redeemable Preference Shares of Rs. 100/- each; Redeemable on or before 04.07.2023 (31 March 2021 : 1,97,250 Shares)"	-	148.00
	-	<b>167.10</b>
<b>Current investments</b>		
<b>Others (in equity instruments - unquoted) - At Cost</b>		
Escorts Consumer Credit Limited 1,90,000 Equity Shares of Rs. 10/- each (31 March 2021 : 1,90,000)	0.02	0.02
G.R. Solvents & Allied Insutries Limited 92,485 Equity Shares of Rs.10/- each (31 March 2021 : 92,485)	7.40	7.40
	<b>7.42</b>	<b>7.42</b>

## NOTES TO FINANCIAL STATEMENTS (Contd...)

(All amounts in Lacs unless stated otherwise)

### 6 Other financial assets

	As at 31 March, 2022	As at 31 March, 2021
<b>Non-current other financial assets</b>		
<b>Unsecured; considered doubtful</b>		
Loans and Advances	253.82	253.82
Less: Provision for bad & doubtful loan & advances	253.82	253.82
	<u>-</u>	<u>-</u>
<b>Current financial assets</b>		
Security deposits	3.73	3.73
Accrued interest	3.71	1.09
	<u><b>7.44</b></u>	<u><b>4.82</b></u>

### 7 Other assets

#### Other non-current assets

Prepaid expenses	-	86.36
	<u>-</u>	<u><b>86.36</b></u>

#### Other current assets

(Unsecured; considered good unless otherwise stated)

Advances with public bodies	3.25	0.73
Prepaid expenses	0.17	16.79
Other loans and advances	-	0.52
	<u><b>3.42</b></u>	<u><b>18.04</b></u>

### 8 Trade receivables

Secured , considered good	-	-
Unsecured, considered good		
Receivables from related party	-	-
Receivables from other than related party	-	8.00
Disputed Trade Receivables - which have significant increase in credit risk	-	-
<i>Disputed Trade Receivables - credit impaired \$</i>	699.70	699.70
	<u>699.70</u>	<u>707.70</u>
<i>Less: Provision for doubtful debts (Expected credit Loss allowance)</i>	<u>699.70</u>	<u>699.70</u>
	<u>-</u>	<u>8.00</u>

\$ Refer Note 30 for doubtful trade receivables.

### Trade receivable ageing schedule for 31 March 2022

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Secured , considered good	-	-	-	-	-	-
Unsecured, considered good						
Receivables from related party	-	-	-	-	-	-
Receivables from other than related party	-	-	-	-	-	-
Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables - credit impaired	-	-	-	-	699.70	<b>699.70</b>

## NOTES TO FINANCIAL STATEMENTS (Contd...)

### Trade receivable ageing schedule for 31 March 2021

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
Secured , considered good	-	-	-	-	-	-
Unsecured, considered good						
Receivables from related party	-	-	-	-	-	-
Receivables from other than related party	8.00	-	-	-	-	<b>8.00</b>
Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables - credit impaired	-	-	-	-	699.70	<b>699.70</b>

(All amounts in Lacs unless stated otherwise)

	As at 31 March, 2022	As at 31 March, 2021
<b>9 Cash and cash equivalents</b>		
Cash on hand ©	-	-
Balances with banks in current accounts	29.56	0.56
Fixed Deposits with Banks	360.29	
	<u>389.85</u>	<u>0.56</u>

© Amount is less than one thousand rupees

### 10 Assets held for sale

Investment in equity instruments of Escorts Securities Limited #	-	137.09
Nil Equity Shares of Rs.10/- each (31 March 2021 : 14,60,000 )		
	<u>-</u>	<u>137.09</u>

# Refer Note 38 for measurement of assets held for sale.

### 11 Share capital

	As at 31 March, 2022		As at 31 March, 2021	
	No. of shares	Amount	No. of shares	Amount
<b>Authorised share capital</b>				
<b>Equity shares</b>				
Equity shares of Rs. 10 each	40,500,000	4,050.00	40,500,000	4,050.00
	<b>40,500,000</b>	<b>4,050.00</b>	<b>40,500,000</b>	<b>4,050.00</b>
<b>Issued, subscribed and fully paid up</b>				
<b>Equity shares</b>				
Equity shares of Rs. 10 each	40,250,000	4,025.00	40,250,000	4,025.00
Less: Allotement money in arrears from others		7.75		7.75
<b>Total</b>	<b>40,250,000</b>	<b>4,017.25</b>	<b>40,250,000</b>	<b>4,017.25</b>

## NOTES TO FINANCIAL STATEMENTS (Contd...)

### (a) Reconciliation of number of shares

	As at 31 March, 2022		As at 31 March, 2021	
	No. of shares	Amount	No. of shares	Amount
<b>Equity share capital</b>				
Balance as at the beginning of the year	40,250,000	4,017.25	40,250,000	4,017.25
Add: Increase during the year	-	-	-	-
Balance as at the end of the year	<b>40,250,000</b>	<b>4,017.25</b>	<b>40,250,000</b>	<b>4,017.25</b>

### (b) Rights/ preferences/ restrictions attached to equity shares

The Company has one class of equity shares having a par value of Rs. 10 per Share. Each Shareholder is eligible for one vote per share held. The dividend proposed (if any) by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend(if any). In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

### (c) Details of shareholders holding more than 5% shares in the Company

Name of shareholder	As at 31 March, 2022		As at 31 March, 2021	
	No of shares	% holding	No of shares	% holding
"Escorts Benefit and Welfare Trust (Dr. Sutanu Behuria, Trustee)"	2,34,97,478	58.38%	2,34,97,478	58.38%
Escorts Limited	38,19,700	9.49%	38,19,700	9.49%
Allgrow Finance and Investment Private Limited	-	-	21,55,908	5.36%

### (d) Detail of share held by promoters as at March 2022

Promoter Name	No of shares	% of total shares	% change during the year
Escorts Benefit and Welfare Trust (Dr. Sutanu Behuria, Trustee)	2,34,97,478	58.38%	0.00%
Escorts Limited	38,19,700	9.49%	0.00%
Escorts Securities Limited	6,25,000	1.55%	0.00%
Ms Nitasha Nanda	65,950	0.16%	0.03%
Ms Ritu Nanda	-	0.00%	-0.07%
Mr Nikhil Nanda	15,050	0.04%	0.04%

### Detail of share held by promoters as at March 2021

Promoter Name	No of shares	% of total shares	% change during the year
"Escorts Benefit and Welfare Trust (Dr. Sutanu Behuria, Trustee)"	2,34,97,478	58.38%	0.00%
Escorts Limited	38,19,700	9.49%	0.00%
Escorts Securities Limited	6,25,000	1.55%	0.00%
Ms Nitasha Nanda	50,950	0.13%	0.00%
Ms Ritu Nanda	30,000	0.07%	0.00%
Mr Nikhil Nanda	50	0.00%	0.00%

## NOTES TO FINANCIAL STATEMENTS (Contd...)

### 12 Other Equity

(All amounts in Lacs unless stated otherwise)

	As at 31 March, 2022	As at 31 March, 2021
<b>Securities Premium Reserve</b>	<b>2,643.83</b>	<b>2,643.83</b>
<b>Special Reserve</b>	<b>1,115.00</b>	<b>1,115.00</b>
<b>General Reserve</b>	<b>31.46</b>	<b>31.46</b>
<b>Retained Earning</b>		
Balance at beginning of the year	(25,605.64)	(25,604.59)
Add: Profit/(Loss) for the year	(12.56)	(1.05)
Balance at closing of the year	<b>(25,618.20)</b>	<b>(25,605.64)</b>
<b>Other Comprehensive Income, Net of Tax</b>		
Equity instruments measured at fair value through other comprehensive income		
Balance at beginning of the year	(48.07)	(51.86)
Add: Changes during the year	-	3.79
Balance at closing of the year	<b>(48.07)</b>	<b>(48.07)</b>
Re-measurements of defined employee benefit plans		
Balance at beginning of the year	(0.98)	(0.98)
Add: Changes during the year	0.08	-
Balance at closing of the year	<b>(0.90)</b>	<b>(0.98)</b>
<b>Balance at the end of 31 March 2022</b>	<b>(21,876.88)</b>	<b>(21,864.40)</b>

#### **Nature and purpose of reserves:**

##### **Other comprehensive income (OCI)**

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

### 13 Borrowings

	As at 31 March, 2022	As at 31 March, 2021
<b>Non-Current Borrowings</b>	-	-
<b>Current Borrowings</b>		
<b>Preference shares</b>		
95,00,000 10% Redeemable Cumulative Preference Shares of Rs. 10 each (31 March 2021 : 95,00,000)	950.00	950.00
	<b>950.00</b>	<b>950.00</b>

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

## NOTES TO FINANCIAL STATEMENTS (Contd...)

(All amounts in Lacs unless stated otherwise)

	As at 31 March, 2022	As at 31 March, 2021
<b>14 Other Financial Liability</b>		
<b>Other Non-Current Financial Liability</b>		
a. FD Redemption through Court approved arrangements *	15,862.04	14,801.86
	<b>15,862.04</b>	<b>14,801.86</b>
<b>Other Current Financial Liability</b>		
a. Matured / Unclaimed fixed deposits and interest thereon ^	-	1,060.18
b. Other payable	1,498.22	1,505.13
	<b>1,498.22</b>	<b>2,565.31</b>
* Refer Note 33 for amount repaid to its unclaimed/unpaid matured fixed deposits by Escorts Limited to bail out the liability of the Company under the directions of Hon'ble Delhi High Court and amount deposited in Investor Education Protection Fund.		
^ Refer Note 34 for remaining liability towards unclaimed matured fixed deposits liability including interest thereon.		
<b>15 Provisions</b>		
<b>Non-current Provisions</b>		
<b>Provision for employee benefits</b>		
a. Provision for gratuity	2.32	2.16
b. Provision for compensated absences	0.38	0.39
	<b>2.70</b>	<b>2.55</b>
<b>Current Provisions</b>		
<b>Provision for employee benefits</b>		
a. Provision for gratuity	0.04	0.03
b. Provision for compensated absences	0.02	0.02
	<b>0.06</b>	<b>0.05</b>
<b>16 Other current liabilities</b>		
Statutory dues payable	1.77	3.04
	<b>1.77</b>	<b>3.04</b>
<b>17 Revenue from operations</b>		
	(All amounts in Lacs unless stated otherwise)	
	For the year ended 31 March, 2022	For the year ended 31 March, 2021
<b>Other operating revenue</b>		
a. Overdue Interest	0.06	0.01
b. Excess provision written back	3.29	-
c. Other operating revenue	8.91	-
	<b>12.26</b>	<b>0.01</b>
<b>18 Other income</b>		
a. Interest income	2.68	0.26
b. Other income	15.01	27.05
	<b>17.69</b>	<b>27.31</b>
<b>19 Employee benefits expense</b>		
a. Salary, wages and bonus	6.39	14.30
b. Contribution to provident and other funds	0.62	0.64
	<b>7.01</b>	<b>14.94</b>

## NOTES TO FINANCIAL STATEMENTS (Contd...)

(All amounts in Lacs unless stated otherwise)

	For the year ended 31 March, 2022	For the year ended 31 March, 2021
<b>20 Depreciation and amortisation expense</b>		
a. Depreciation of plant, property and equipment	-	-
b. Amortisation of intangible assets	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
<b>21 Finance cost</b>		
a. Bank Charges	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
<b>22 Other expenses</b>		
a. Rates and taxes	1.22	0.26
b. Legal and professional	23.87	3.73
c. Repair and maintenance - others	0.08	0.09
d. Printing & Stationary	0.05	0.02
e. Travelling and conveyance	0.16	0.09
f. Advertisement & Publicity	0.99	0.59
g. Postage & Telephone	0.56	0.22
h. Payments to auditors (see Note 'A' below)	2.00	2.08
i. Director's Sitting Fees	0.70	0.56
j. Bad debts written off	-	-
k. AGM Expenses	1.19	1.07
l. Fee & Subscription	4.67	4.70
m. Miscellaneous expenses	0.01	0.02
	<u><b>35.50</b></u>	<u><b>13.43</b></u>
	<u><b>35.50</b></u>	<u><b>13.43</b></u>
<b>Note:</b>		
A. Payments to auditors		
(i) Audit Fees	2.00	2.00
(ii) Other Services	-	-
(iii) Out of pocket expenses	-	0.08
	<u><b>2.00</b></u>	<u><b>2.08</b></u>
	<u><b>2.00</b></u>	<u><b>2.08</b></u>

## NOTES TO FINANCIAL STATEMENTS (Contd...)

### 23 Commitments and contingencies

- a. The estimated amount of contracts remaining to be executed on capital amount and not provided for (net of advances) amount to Rs. Nil (31 March 2021: Rs. Nil).
- b. The Company has other commitments, for purchase of goods and services and employee benefits, in normal course of business. The Company does not have any long-term commitments/contracts including derivative contracts for which there will be any material foreseeable losses.
- c. Contingent liabilities \*
  - (i) Sales tax demands against the Company not acknowledged as debt and not provided for in respect of which the Company is in appeal is Rs. 2.93 lacs (Previous Year Rs. 2.93 lacs).
  - (ii) Claims/demands under litigation against the Company not acknowledged as debt and not provided for in the books. Amount is presently not ascertainable.

**\* The provisions and the disclosures with regard to matters under litigations have been made based upon the management representation.**

### 24 Dues to small and micro enterprises pursuant to section 22 of the micro, small and medium enterprises development ('MSMED') act, 2006 #:

	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Principal amount outstanding	-	-
Interest due thereon	-	-
Interest paid by the Company in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the period	-	-
Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the period) but without adding the interest specified under MSMED Act, 2006	-	-
Interest accrued and remaining unpaid as at the end of period	-	-
Further interest remaining due and payable even in the succeeding periods, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

# The above disclosure has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

- 25 The Company has conducted routine physical verification of its property, plant and equipment during the year in order to ensure their location, existence and assess their working condition. No discrepancies have been reported during such verification.
- 26 All the property, plant & equipment and intangible assets of the Company are fully depreciated in accordance with the provisions of Companies Act, 2013. The minimum residual value is carried in books of accounts.
- 27 The Company had accumulated losses as at the close of the financial year with its net worth continuing to stand fully eroded. Presently, the Company continues to focus on recovery of old delinquent loan assets through settlement/ compromise /legal action etc. arising out of it's earlier NBFC business. The financial information in these financial statements has been prepared on a going concern basis, which assumes that the Company will continue it's operational existence in the foreseeable future as the management of the company is considering various options to undertake suitable business(s) and is also exploring the options of revival or restructuring of the Company.
- 28 The Company is no longer registered with Reserve Bank of India (RBI) as Non Banking Financial Institution (NBFI) after cancellation of it's earlier registration vide RBI letter no DNBS(NDI) S.3242/MSA/06.05.001/2015-16 dated 6 May 2016. Accordingly, the related provisions pertaining to NBFI are currently not applicable to the Company.
- 29 In opinion of the Board, the loans & advances (net of related provisions) and other current assets have a value, which if realized in the ordinary course of business, will not be less than the value stated in the Balance Sheet.



## NOTES TO FINANCIAL STATEMENTS (Contd...)

- 30** Trade receivables amounting to Rs. 699.70 lacs (Previous Year Rs. 699.70 lacs) represents cases against which legal actions/ settlements/compromises for recovery are in process. However, full provision is held against such receivables.
- 31** The Company had issued 10% Cumulative Redeemable Preference Shares of Rs. 10 each maturing on 30 March 2019. Due to liquidity crunch, the discharge of the said liability before or on due date of redemption has not been done. The Company has received a No Objection Certificate from the preference share holder extending the maturity period of said Preference Shares for a further period of 20 years. Accordingly, the Company has filed a petition before National Company Law Tribunal (NCLT) on 29 March 2019 seeking issuance of 1% Cumulative Redeemable Preference Shares in place of said Preference Shares with new terms and conditions. This aforesaid matter is pending to be decided before NCLT and the order for the same is reserved as per hearing conducted on 01 April 2022.
- 32** Since the matter related to issuance of 1% Cumulative Redeemable Preference Shares in place of existing 10% Cumulative Redeemable Preference Shares is pending before NCLT, therefore, the Company has not made any provision for interest payable on the borrowed amount.
- 33** The Company is a subsidiary of M/s Escorts Limited (the "Holding Company"). The Holding Company bailed out the liability of the Company towards its unclaimed/unpaid matured fixed deposits from time to time since 2007 in terms of a Scheme of Arrangement and Compromise filed before the Hon'ble Delhi High Court. Accordingly, the amount of Rs. 14,805.82 lacs (Rs. 14,801.86 lacs as on 31 March 2021) repaid to the respective fixed deposit holders under the directions of the Court and balance amount of Rs 1056.22 lacs (Rs. Nil as on 31 March 2021) on account of unclaimed/unpaid fixed deposits including interest thereon deposited in Investor Education Protection Fund has been shown aggregately as "FD Redemption through Court approved arrangements" under "Non-Current Financial Liabilities" as on 31 March 2022.
- 34** In terms of the direction of Hon'ble Delhi High Court, M/s Escorts Benefit Trust, created by Escorts Limited to repay the matured unpaid fixed deposit liability, has settled claims to the extent of Rs.3.96 lacs during the year ended 31 March 2022 and deposited the entire outstanding liability towards unclaimed fixed deposits including interest thereon of Rs. 1056.22 lacs with the Investor Education Protection Fund on 2 February 2022 through demand draft. Therefore, remaining liability towards unclaimed fixed deposits and interest thereon is Rs. NIL as on 31 March 2022 (Rs. 1060.18 lacs as on 31 March 2021) in the books of account.

### 35 Employee benefits plans

#### A. Defined contribution plans:

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

(All amounts in Lacs unless stated otherwise)

	<b>For the year ended 31 March, 2022</b>	<b>For the year ended 31 March, 2021</b>
Contribution to provident fund and other funds	0.38	0.64

#### B. Defined benefit plans:

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

##### i) Amount recognised in the statement of profit and loss is as under :

(All amounts in Lacs unless stated otherwise)

	<b>Gratuity benefits</b>		<b>Compensated absences</b>	
	<b>For the year ended</b>		<b>For the year ended</b>	
	<b>31 March 2022</b>	<b>31 March 2021</b>	<b>31 March 2022</b>	<b>31 March 2021</b>
Current service cost	0.13	0.13	0.02	0.03
Past service cost including curtailment gains/losses	-	-	-	-
Interest cost	0.13	0.28	0.02	0.05
Actuarial (gain)/loss, net	-	-	(0.06)	(0.04)
<b>Amount recognised during the year</b>	<b>0.26</b>	<b>0.41</b>	<b>(0.02)</b>	<b>0.04</b>

## NOTES TO FINANCIAL STATEMENTS (Contd...)

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

(All amounts in Lacs unless stated otherwise)

	Gratuity benefits		Compensated absences	
	For the year ended		For the year ended	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
<b>Present value of defined benefit obligation as at the start of the year</b>	<b>2.19</b>	<b>5.07</b>	<b>0.41</b>	<b>0.94</b>
Current service cost	0.13	0.13	0.02	0.03
Past service cost	-	-	-	-
Interest cost	0.13	0.28	0.02	0.05
Actuarial (gain)/loss on obligation	(0.08)	(0.00)	(0.06)	(0.04)
Benefits paid	-	(3.29)	-	(0.57)
<b>Present value of defined benefit obligation as at the end of the year</b>	<b>2.37</b>	<b>2.19</b>	<b>0.39</b>	<b>0.41</b>
<b>Current position of obligation as at the end of the year</b>	0.04	0.03	0.02	0.02
<b>Non-current position of obligation as at the end of the year</b>	2.33	2.16	0.37	0.39

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

(All amounts in Lacs unless stated otherwise)

	Gratuity benefits		Compensated absences	
	For the year ended		For the year ended	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Actuarial gain / (loss) for the year on PBO	0.08	0.00	-	-
Actuarial gain / (loss) for the year on Assets	-	-	-	-

### iv) Actuarial Gain / (Loss) on obligation

(All amounts in Lacs unless stated otherwise)

	Gratuity benefits		Compensated absences	
	For the year ended		For the year ended	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Actuarial (Gain)/Loss from Change in Demographic Assumption	-	-	-	-
Actuarial (Gain)/Loss from Change in Financial Assumption	(0.03)	(0.01)	(0.00)	(0.00)
Actuarial (Gain)/Loss from Experience Adjustment	(0.05)	0.01	(0.06)	(0.04)

## NOTES TO FINANCIAL STATEMENTS (Contd...)

### v) Economic assumptions:

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

	As at 31 March 2022	As at 31 March 2021
Discount rate	6.01%	5.70%
Salary growth rate	7.50%	7.50%

### vi) Demographic assumptions:

	As at 31 March 2022	As at 31 March 2021
Retirement age	58 years	58 years
Mortality table	IALM (2012-14)	IALM (2012-14)
Withdrawal rates		
Upto 30 years	3%	3%
From 31 to 44	2%	2%
Above 44 years	1%	1%

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

### vii) Sensitivity analysis for defined benefit obligation

(All amounts in Lacs unless stated otherwise)

	Gratuity benefits		Compensated absences	
	For the year ended		For the year ended	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
<b>Impact of the change in discount rate</b>				
Present value of obligation at the end of the year	2.37	2.19	0.39	0.41
- Impact due to increase of 0.50 %	(0.05)	(0.05)	(0.01)	(0.01)
- Impact due to decrease of 0.50 %	0.05	(0.05)	0.01	0.01
<b>Impact of the change in salary increase</b>				
Present value of obligation at the end of the year	2.37	2.19	0.39	0.41
- Impact due to increase of 0.50 %	0.05	0.05	0.01	0.01
- Impact due to decrease of 0.50 %	(0.05)	(0.05)	(0.01)	(0.01)

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

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

## NOTES TO FINANCIAL STATEMENTS (Contd...)

### viii) Maturity profile of defined benefit obligation

(All amounts in Lacs unless stated otherwise)

	Gratuity benefits		Compensated absences	
	For the year ended		For the year ended	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Within next 12 months	0.04	0.03	0.02	0.02
Between 1-5 years	2.33	2.16	0.38	0.39
Beyond 5 years	-	-	-	-

- 36** The Company has considered the possible effects that may result from the pandemic ( Covid -19) on the carrying amount of receivables, loans/advances, investments and other assets / liabilities. Based on the current indicators of future economic conditions, the management expects to recover the carrying amount of these assets. The Company continue to closely monitor any material changes to future economic conditions.
- 37** In view of uncertainty of future taxable profits, the Company has not recognized deferred tax asset (net of deferred tax liabilities) at the year end.
- 38** The Board of the Directors of the Company on 01 February 2021 had approved for sale of 14,60,000 shares of Rs 10/- each in Escorts Securities Limited, a investee company. On 08 April 2021, the Company had entered into a Share Purchase Agreement, to sell the aforesaid shares to Choice Equity Broking Private Limited ("purchaser"). In terms of the agreement, upon necessary regulatory approvals and on the Closing date, the aforesaid shares will be transferred to the purchaser, at an aggregate consideration to be decided on the closing date. Pending transfer of the shares to the purchaser, the investment were classified as held for sale and the same was carried at cost (book value) or fair value whichever is less, as per the requirement of Ind AS 105 "Non-Current Assets Held for Sale and Discontinued Operations".

During the year, the shares of Escorts Securities Limited have actually been sold to Choice Equity Broking Private Limited after the necessary regulatory approvals received and an amount of Rs 146.00 lacs have been realised as per the Share Purchase Agreement.

### 39 Analytical Ratios

Ratio	Numerator	Denominator	Current year	Previous year
Current ratio (in times)	Total current assets	Total current liabilities	0.16	0.01
Debt equity ratio (in times)	Total debts	Shareholders' Equity	(0.05)	(0.05)
Debt service coverage ratio (in times)	"Earnings available for debt service (Net profit before taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other non cash adjustments)"	Debt service (Interest & lease payments + principal repayments)	-	-
Return on equity ratio (in %)	Profits for the year less preference dividend (if any)	Average shareholder's equity	0.07%	-0.02%
"Inventory turnover ratio (in times)"	Revenue from operations	Average inventory	-	-
"Trade receivables turnover ratio (in times)"	Revenue from operations	Average trade receivable	3.07	0.00

## NOTES TO FINANCIAL STATEMENTS (Contd...)

"Trade payables turnover ratio (in times)"	Cost of traded goods and other expenses	Average trade payables	-	-
"Net capital turnover ratio (in times)"	Revenue from operations	Average working capital	(0.004)	(0.000)
Net profit ratio (in %)	Profit for the year	Revenue from operations	-102%	27440%
"Return on capital employed (in %)"	Profit before tax and finance costs	Capital employed	0.63%	-0.09%
Return on investment (in %)	Income generated from invested funds	Average invested funds	-	-

**40** The Company had invested Rs. 73.00 lacs in 10% non-cumulative redeemable preference shares and Rs. 197.25 lacs in 4% non-cumulative redeemable preference shares of Allgrow finance & Investment Private Limited in earlier years. The Company has not recognized the interest income on these preference shares as the company does not expect to receive these interest from the investee company. This is because of current year and previous year losses of the investee company. Subsequently, the aforesaid investments have been redeemed and received gross amount of principle (invested amount) aggregating to Rs. 270.25 lacs during the year.

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

### 42 Related party disclosures

#### (a) Holding Company

Escorts Limited

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

"Escorts Benefit and Welfare Trust  
(Dr. Sutanu Behuria, Trustee)"

#### (c) Key Managerial Personnel

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

	<b>For the year ended 31 March, 2022</b>	<b>For the year ended 31 March, 2021</b>
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### 43 Related party transactions

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

Escorts Limited (Holding Company)	17,355.91	16,295.73
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#### (b) Salary paid

Mr. Donald Fernandez (Chief Financial Officer)	7.20	8.26
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#### (c) Sitting Fee Paid

Mr. Rajeev Khanna (Whole time director) (from 04 June 2019)	0.20	0.16
Ms. Preeti Chauhan (Director) (from 03 May 2013)	0.20	0.16
Mr. Sumit Raj (Director) (from 16 May 2018)	0.20	0.16
Mr. Vinod Dixit (Director) (from 26 July 2019)	0.10	0.08

## NOTES TO FINANCIAL STATEMENTS (Contd...)

### 44 Earning per share

Particulars	31 March 2022	31 March 2021
Net profit attributable to the shareholders (Rs. in Lacs)	(12.56)	(1.05)
Weighted average number of outstanding equity shares during the year	40172500	40172500
Basic earning per share (in Rupees)	(0.031)	(0.003)
Diluted earning per share (in Rupees)	(0.031)	(0.003)

**45** The Company has a single reportable segment namely financial services (limited to recovery of loan assets) for the purpose of Ind AS-108.

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

**47** The figures for the previous period have been regrouped / rearranged / reclassified wherever necessary.

In terms of our report attached

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

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

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

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

**Sumit Raj**  
Director  
DIN: 07171298

Place: Faridabad  
Date: 09 May, 2022

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

**Donald Fernandez**  
Chief Financial Officer  
PAN AAAPF9140N

**SPEED POST / REGD. POST / COURIER**

*If undelivered, please return to:*

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