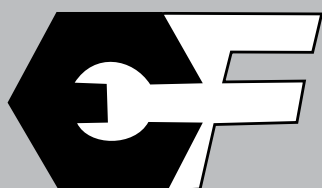




25th

ANNUAL REPORT

2012-2013



**ESCORTS
FINANCE
LIMITED**



COMPANY INFORMATION

Board of Directors

Mr. Inder Mohan Sakhuja
Chairman

Mr. Pritam Narang

Mr. Rochak Puri

Ms. Preeti Chauhan

Manager

Mr. P.K. Marwah

Company Secretary

Mr. Vicky Chauhan

Chief Financial Officer

Mr. Donald Fernandez

Auditors

M/s N.M. Raiji & Co.
E-7/14, IInd Floor,
Vasant Vihar,
New Delhi - 110057

Registered Office

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

**NOTICE**

Notice is hereby given that the **Twenty Fifth Annual General Meeting** of Escorts Finance Limited will be held on **Friday, 20th September, 2013 at 3.00 P.M.** at Hotel K C Residency, SCO - 377-380, Sector – 35 B, Chandigarh - 160035 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013, the Profit and Loss Statement for the year ended on that date and the Reports of Auditors' and Directors' thereon.
2. To appoint a Director in Place of Mr. Inder Mohan Sakhujia who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s N.M. Rajji and Company, Chartered Accountants, as Statutory Auditors (Firm Registration No. 108296W) to hold office from the conclusion of this Annual General Meeting till the Conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

SPECIAL BUSINESS:

4. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**
"RESOLVED THAT Ms. Preeti Chauhan be and is hereby appointed as a Director of the Company, liable to retire by rotation."

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

Place: Faridabad
Dated: 12th August 2013

Sd/-
Vicky Chauhan
(Company Secretary)

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF. SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES MAY BE IN THE FORM ANNEXED HERETO AND TO BE EFFECTIVE MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of resolutions set out under item no. 4 is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 14th September, 2013 to 20th September, 2013 (both days inclusive).
4. Shareholders / Proxy holders are requested to produce at the entrance attached attendance slip duly completed and signed, for admission to the meeting hall.
5. Members are informed that Share Transfer and related activities are being carried out by Alankit Assignments Limited, Registrar and Share Transfer Agents, from the following address: -

ALANKIT ASSIGNMENTS LIMITED

Alankit House
2E/21, Jhandewalan Extension,
New Delhi – 110 055
Tel.: +91-11-42541953, 23541234, 42541234 Fax: +91-11-23552001
E-mail : rta@alankit.com

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



6. The Equity shares of the Company can only be traded in electronic mode w.e.f.26.06.2000 as per SEBI guidelines. The Company has already entered into agreements with National Securities Depository Ltd. and Central Depository Services (I) Ltd. for the same. Interested members may opt to convert physical shares of the Company in the electronic mode after sending request for dematerialisation through their Depository Participant.
7. Members of the Company(s) who 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) and send the relevant share certificate to the Alankit Assignments Limited, Registrar and Share Transfer Agent of the Company.
8. Section 109A of the Companies Act, 1956 has extended nomination facility to individuals holding shares in Companies. Shareholders, in particular those holding shares in single name, are requested to avail the above facility by furnishing to the Company, particulars of their nominees. Shareholders may please write to the Company Secretary for the prescribed Nomination Form 2B.
9. The Ministry of Corporate Affairs ("MCA") has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by companies and has issued a circular on April 21, 2011 stating that the service of document by a Company can be made through electronic mode. In view of this, members are requested to provide their e-mail Addresses to the Company Secretary at Escorts Corporate Centre, 15/5, Mathura Road, Faridabad-121003, Haryana or by sending an email at e-mail id escortsfinance@escorts.co.in.
10. Members are requested to notify immediately any change in their address (with pin code) to Alankit Assignments Limited, quoting their folio numbers.
11. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions in writing to the Company Secretary at least ten days before the date of the meeting, so that the information required may be made available at the meeting.
12. Members who have not yet paid their "Allotment Money" are advised to send the same along with interest calculated @ 17% p.a. for delayed period i.e. from 07.05.95 till the date of payment, through demand draft / cheque payable at Delhi in favour of the Company, to avoid forfeiture.
13. Members are requested to bring their copy of Annual Report to the meeting. No extra copy would be available for distribution at the meeting.
14. Pursuant to the requirements of the Listing agreement with the Stock Exchanges on Corporate Governance the information required to be given in case of appointment of new Director or re-appointment of a Director, is given in the Corporate Governance Report forming part of this Annual Report.

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

Sd/-
Vicky Chauhan
(Company Secretary)

Place: Faridabad
Dated: 12th August 2013

EXPLANATORY STATEMENT UNDER SECTION 173 (2) OF THE COMPANIES ACT, 1956

Item No. 4

During the period under review, Ms. Preeti Chauhan was co-opted as Additional Director on 3.05.2013. Pursuant to Section 260 of the Companies Act, 1956, Ms. Chauhan holds office only upto the date of the ensuing Annual General Meeting. A notice in writing under Section 257 of the said Act, proposing her candidature as a Director of your Company, liable to retire by rotation, has been received.

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

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

None of the Directors except Ms. Chauhan may be deemed to be concerned or interested in the proposed resolution.

The Board recommends this resolution for your approval.

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

Sd/-
Vicky Chauhan
(Company Secretary)

Place: Faridabad
Dated: 12th August 2013



Your Directors are pleased to present the Twenty Fifth Annual Report, together with the Audited Accounts of the Company for the Financial Year ended 31st March, 2013, and the Auditors' Report thereon.

FINANCIAL RESULTS

(Rs.In Lacs)

	Financial Year ended March 31, 2013	Financial Year ended March 31, 2012
Gross Income	47.48	45.01
Profit/(Loss) before write off, provisions & tax	(57.27)	(22.20)
Tax adjustment for earlier years	-	533.62
Profit/(Loss) after Tax	(57.27)	(555.82)

The Gross Income is only from amount recovered on recovery on delinquent assets through settlement / compromise / legal action etc.

DIVIDEND

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

Fixed Deposits

Pursuant to the order of The Hon'ble High Court of Delhi dated 4th March, 2011, an amount of Rs. 354.45 Lacs has been paid to the FD Holders during the financial year ended 31st March, 2013. As on said date, the unclaimed/unpaid fixed deposit liability is Rs. 1,747.43 Lacs.

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure and Development

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

Opportunities and Threats

The NBFCs are facing stiff competition from banks and financial institutions, due to the ability of Banks & FII's to raise low cost funds which enables them to provide funds at much cheaper rate. More stringent capital adequacy norms have been stipulated by RBI for NBFCs which is making difficult for them to give cheaper finance.

Segment-wise or Product-wise Performance

The Company was primarily engaged in the business of hire purchase, leasing and 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 enunciated in the Accounting Standard on Segment Reporting (AS- 17) issued by The Institute of Chartered Accountants of India.

Future Outlook

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

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

Risks and Concerns

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



Internal Control Systems and Their Adequacy

The Company's internal control systems are in place to serve the existing operations of the Company.

Financial Performance

The loss for the year amounts to Rs. 57.27 Lacs. The total accumulated losses at the end of the year amounted to Rs. 25,552.67 Lacs.

Human Resource and Industrial Relations

The Company is having five employees only 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 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 other costs.

DIRECTORS

In terms of the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Inder Mohan Sakhuja, Director retires by rotation at the ensuing Annual General Meeting of your Company, and being eligible, offers himself for re-appointment.

Ms. Babita Tiwari has resigned from the directorship of the Company with effect from 3rd May, 2013. The Board places on record its appreciation for the valuable services rendered and contribution made by her for the growth of the Company during her tenure as Director.

Ms. Preeti Chauhan was appointed as Additional Director of the Company w.e.f. 3rd May, 2013 pursuant to Section 260 of the Companies Act, 1956, and accordingly she holds office upto the ensuing Annual General Meeting. The Company has received a notice pursuant to Section 257 of the said Act from a member of the Company proposing candidature of Ms. Preeti Chauhan for appointment as Director, whose period of office shall be liable to determination by retirement of director by rotation, at the forthcoming Annual General Meeting of the Company. The Board recommends the appointment.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the listing agreement with Stock Exchanges, a Report on Corporate Governance along with a certificate from M/s N.M. Raiji & Co., Chartered Accountants, confirming compliance of conditions of corporate governance enclosed as '**Annexure A**'.

AUDITORS

M/s N. M. Raiji & Co., Auditors of the Company retire at the ensuing Annual General Meeting and are eligible for reappointment. The Company has received a written certificate from them to the effect that their reappointment as statutory auditors for the financial year 2013-2014, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

AUDITORS OBSERVATIONS AND COMMENTS THEREON

The qualifications/observations made by the Statutory Auditors in the Auditors' Report are dealt with separately in the Notes to the Profit & Loss Account and the Balance Sheet. Management response to the above are as follows:

Note 26: The action is as per the directions contained in the order of Hon'ble Delhi High Court. The note is self-explanatory and does not call for any further comments.

Note 27: The process of retrieving the investment certificate(s) is in process. The provision has been made to cover possible loss, if any.

Note 31: Provision on dividend on preference share could not be made due to huge accumulated losses & loss sustained during the year.

Note 32: The Company had only eight employees on rolls at the end of the financial year. The gratuity liability for these employees is being provided on actual basis as per the provisions of Payment of Gratuity Act, 1972.



Similarly, leave encashment liability is also provided on actual basis. The management feels that the provision in respect of these liabilities on actual basis is on more prudent basis than the actuarial estimate particularly when the number of employees is only eight.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements of Section 217(2AA) of the Companies Act, 1956, the Board of Directors hereby confirm:

1. That in the preparation of the annual accounts for the financial year ended 31st March, 2013, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. That the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March, 2013 and of the profit or loss of the Company for that period;
3. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. That the Directors have prepared the annual accounts for the financial year ended 31st March, 2013 on a going concern basis.

PARTICULARS OF EMPLOYEES

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

INFORMATION UNDER SECTION 217(1)(E) OF THE COMPANIES ACT, 1956

I. Conservation of Energy

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

II. Research & Development (R&D)

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

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

Future Plan of Action: NIL

Expenditure on 'R & D': NIL

III. Technology Absorption, Adaptation and Innovation:

Efforts in brief made towards Technology absorption etc.: NIL

Benefits derived as a result of above: N.A

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

IV. Foreign exchange earnings and outgo

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

ACKNOWLEDGEMENT

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

The Directors also wish to convey their deep appreciation of the contribution made by all 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

**Place: Faridabad
Dated: 12th August 2013**

Sd/-
**Inder Mohan Sakhuja
Chairman**



A detailed report on Corporate Governance practices followed at Escorts Finance Limited for the period April 1, 2012 to March 31, 2013 is given below:

I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

"Corporate Governance" refers to a combination of laws, regulations, procedures, implicit rules and voluntary practices that enable companies to attract financial and human capital, perform efficiently and thereby maximize long term value for shareholders, while respecting the aspect of multiple stakeholders, including society at large.

Corporate Governance strengthens investors' trust and ensures long term partnership that help in fulfilling the Company's quest for higher growth and profits. Corporate Governance rests upon the four pillars of: **Transparency, Full Disclosure, Independent Monitoring and Fairness** to all, especially to minority shareholders.

Your Company is committed to transparency in all its dealings and places high emphasis on business ethics. The Company's philosophy of good Corporate Governance is reflected in its commitment to achieve a balance between Stakeholder's Interest and Corporate Goals through the efficient conduct of its business guided by transparency, accountability and integrity. Your Company has always believed that an independent Board following transparent disclosures and empowerment of shareholders are as necessary as its financial results for creating and sustaining shareholder value.

II. BOARD OF DIRECTORS

Composition and Category of Directors

The composition of the Board is in conformity with Clause 49 of the Listing Agreement. The Board of Directors alongwith its Committees provide leadership and guidance to the Company's management and direct, supervises and controls the performance of the Company. As on March 31, 2013, the Company's Board comprised of Two Independent Non-Executive Directors. Chairman of the Board is also non-executive. All Independent Non-Executive Directors are compliant with the requirements of the Listing Agreement for being an Independent Director and have confirmed that they meet the 'Independence' criteria as mentioned under the Clause 49 of the Listing Agreement. Apart from reimbursement of expenses incurred in the discharge of their duties and the payment of sitting fees, none of these Directors has any other material pecuniary relationships or transactions with the Company, its Directors or its Senior Management, which in their judgment would affect their independence.

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

Name	Designation	Category	Other Directorships Held*	Committee Positions held**	
				Membership	Chairmanship
Mr. Inder Mohan Sakhuja	Chairman	Non-Executive & Non Independent	1	1	NIL
Mr. Pritam Narang	Director	Non-Executive & Non Independent	2	2	NIL
Mr. Rochak Puri	Director	Non-Executive & Independent	1	2	2
Ms. Babita Tewari	Director	Non-Executive & Independent	1	1	NIL



- * Excluding Directorships in private limited companies, foreign companies and companies under Section 25 of the Companies Act, 1956 but including Escorts Finance Limited.
- ** For this purpose only two committees viz. the Audit Committee and Shareholders'/Investors' Grievance Committee of Public Companies have been considered including Escorts Finance Limited.

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

Attendance of Directors at Board Meetings and the last Annual General Meeting

In compliance with Clause 49 of the Listing Agreement, the Board of Directors met 5 (Five) times during the year on 14.05.2012, 14.07.2012, 13.08.2012, 06.11.2012 and 06.02.2013.

The directors' attendance at the Board Meetings and the last Annual General Meeting are as follows:

Name	No. of Board meetings held during tenure	No. of Board meetings attended	Attendance at the last AGM
Mr. Inder Mohan Sakhuja	5	4	NO
Mr. Pritam Narang	5	5	YES
Ms. Babita Tewari	5	4	NO
Mr. Rochak Puri	5	5	YES

Code of Conduct

In terms of Clause 49 of the Listing Agreement the Board has laid down a code of conduct for all Board members and senior management of the Company. All Board members and senior management personnel affirm compliance with the code on an annual basis. The Annual Report of the Company contains a declaration to this effect signed by the Chief Executive Officer.

The Company's code of conduct has been posted on Company's website www.escortsfinance.com.

Declaration by CEO

The Manager of the Company has given the Certificate as below as per the requirement of Clause 49 of the Listing Agreement:

I hereby confirm that:

The Company has obtained from all the members of the Board and Senior Management, affirmation that they have complied with the code of conduct for Directors and Senior Management in respect of the Financial Year ended on 31st March, 2013.

Place: Faridabad
Dated: 12th August, 2013

Sd/-
P.K. Marwah
(Manager)



III. AUDIT COMMITTEE

Composition

In compliance with Clause 49 of the Listing Agreement, your Company's Audit Committee was originally constituted on 18.11.1996.

As on March 31, 2013, the composition of the Audit Committee was as under:

Director	Designation	Category
Mr. Rochak Puri	Chairman	Independent Director
Ms. Babita Tewari	Member	Independent Director
Mr. Pritam Narang	Member	Non Independent Director

Terms of Reference

The Audit Committee is performing in terms of Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956. The role of the Audit Committee includes the following:

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 auditor 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 before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
 - 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. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized 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, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
8. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.



9. Discussion with internal auditors any significant findings and follow up there on.
10. 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.
11. 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.
12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
13. To review the functioning of the Whistle Blower mechanism, in case the same is /will be framed by the Company.
14. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
15. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
16. The Committee shall mandatory review the following information:
 - a. Management Discussion and Analysis of financial condition and results of operations;
 - b. Statement of significant related party transactions submitted by management;
 - c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
 - d. Internal audit reports relating to internal control weaknesses; and
 - e. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

The Audit Committee is also endowed with the following powers:

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

Meeting & Attendance during 2012-13

During the financial year 2012-13, Audit Committee met 5 (Five) times on 14.05.2012, 14.07.2012, 13.08.2012, 06.11.2012 and 06.02.2013.

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

Name	No. of meetings held during tenure	No. of meetings attended
Mr. Pritam Narang	5	5
Ms. Babita Tewari	5	4
Mr. Rochak Puri	5	5

Mr. Vicky Chauhan, Company Secretary acts as Secretary to the Audit Committee. The Chairman of the Audit Committee was present at the Annual General Meeting of the Company held on 28.09.2012.



IV. REMUNERATION COMMITTEE

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

Remuneration of Directors

The Directors are being paid sitting fee of Rs. 2000/- per meeting for attending Board Meeting and Audit Committee Meeting and no sitting fees are paid for attending any other Committee meeting.

The details of sitting fees paid to Directors during the period April 01, 2012 to March 31, 2013 are as under:

S.No.	Name	Relationship with other Directors	Sitting Fees (in Rs.)
1.	Mr. Inder Mohan Sakhuja	*	8000.00
2.	Mr. Pritam Narang	*	20000.00
3.	Mr. Rochak Puri	*	20000.00
4.	Ms. Babita Tewari	*	16000.00
	Total		64000.00

*None of the directors are related to any other directors.

Shareholding of Non Executive Directors of Company

As on 31st March, 2013, None of the Directors of the Company held any share in the Company.

V. SHAREHOLDERS GRIEVANCE COMMITTEE

Constitution

Your Company's Shareholders' Grievance Committee was originally constituted on 31.01.2002.

As on March 31, 2013, the composition of the Shareholders' Grievance Committee was as under:

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

Terms of Reference

This committee looks into redressing of Shareholders' complaints relating to delay in transfer/demat of shares, issue of duplicate shares, non-receipt of Balance Sheet, non-receipt of dividends etc.

Meetings and Attendance

During the financial year 2012-13, 4 (Four) meetings of the Shareholders' Grievance Committee were held on 14.05.2012, 13.08.2012, 06.11.2012 and 06.02.2013.

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

Name	No. of meetings held during tenure	No. of meetings attended
Mr. Inder Mohan Sakhuja	4	3
Mr. Rochak Puri	4	4
Mr. Pritam Narang	4	4



Compliance Officer

Mr. Vicky Chauhan acts as the Compliance Officer of the Company.

Complaints received/resolved

During the period under review, 4(four) complaints were received from investors, which were replied/ resolved to the satisfaction of the investors. No complaint(s) are pending for redressal for the year 2012-13 as on the date of this report.

Pending Share Transfer

No share transfer requests were pending for approval as on March 31, 2013.

VI. OTHER COMMITTEES OF BOARD

SHARE TRANSFER COMMITTEE

Board of Directors constituted a Share Transfer Committee to approve, issue of duplicate share certificates and to review matters connected with transfer/ transposition/ transmission of Shares, Dematerialisation/ Rematerialisation/ Split of Shares, etc. The Board has delegated the power of approving transfer of securities to the Company's Registrar's under the supervision and control of Company Secretary, subject to placing of a summary statement of transfer/transmission/split/ Demat / Remat etc. of securities of the Company at the meeting of the Committee.

As on 31.03.2013, the Committee comprised of three Directors namely Mr. Inder Mohan Sakhuja, Mr. Pritam Narang and Mr. Rochak Puri. The Committee meets from time to time to approve the request of investors.

COMMITTEE OF BANKING AND LEGAL MATTERS

Board of Directors constituted the Committee of Banking and Legal Matters to facilitate and monitor issues relating to dealings with the Banks and other Legal authorities in accordance with powers delegated by the Board.

As on 31.03.2013, the Committee comprised of three Directors namely Mr. Inder Mohan Sakhuja, Mr. Pritam Narang and Mr. Rochak Puri.

VII. GENERAL BODY MEETINGS

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

Year	Venue	Date	Time	No. of Special Resolution passed at AGM
2011-12	Hotel KC Residency, SCO-377-380, Sector-35B, Chandigarh-160022	Friday, 28th September, 2012	3:00 P.M.	None
2010-11	The Executive Club', 439, Village Shahoopur, P.O. Fatehpur Beri, New Delhi – 110074	Friday, 15th July, 2011	4.00 P.M.	One
2009-10	The Executive Club', 439, Village Shahoopur, P.O. Fatehpur Beri, New Delhi – 110074	Thursday, 30th September, 2010	3.00 P.M.	None



Postal Ballot

No resolution was put through postal ballot since the last Annual General Meeting and there is no Special resolution proposed to be passed through postal ballot.

VIII. DISCLOSURES

Disclosure on materially significant related party transactions:

None of the transactions with any of the related parties were in conflict with the interest of the Company. The Company has received sufficient disclosures from promoters, directors or management wherever applicable.

Details of any non-compliance by the Company:

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

Whistle Blower Policy and confirmation that no personnel were denied access to the audit committee

The Company has not adopted any Whistle Blower Policy. However, no personnel were denied access to the audit committee.

Compliance with the requirements of Clause 49

The Company is complying with all the mandatory requirements of Clause 49 of the Listing Agreement.

IX. MEANS OF COMMUNICATION

Quarterly Results

The Company is publishing its audited and un-audited results and related matters in Jansatta (Hindi) and Financial Express (English) newspapers generally.

The Company also posts its financial results in its website www.escortsfinance.com

No presentation of financial results has been made to Financial Institution(s) / Analyst during the year.

X. GENERAL SHAREHOLDER INFORMATION

A. Annual General Meeting

Day & Date : Friday, 20th September, 2013
Time : 3.00 P.M.
Venue : Hotel KC Residency,
SCO 377-380, Sector – 35B,
Chandigarh - 160035

B. Financial year: April 1, 2012 to March 31, 2013

C. Appointment/ Reappointment of Directors

At the ensuing Annual General Meeting, Mr. Inder Mohan Sakhuja retires by rotation and is proposed to be re-appointed as Director of the Company.



The information/details to be provided for the aforesaid Director are as under:

Name	Qualification	Area of Expertise	Other Directorships	Committee Memberships
Inder Mohan Sakhuja	Mechanical Engineer	Mr. I. M. Sakhuja is having more than 50 years experience in the industrial fasteners and auto ancillary industry. For the last 27 years Mr. Sakhuja is holding the position of Chairman of Jayalaxmi Automotives Pvt.Ltd., which is engaged in manufacture of gears.	Jayalaxmi Automotives Pvt. Ltd.	Escorts Finance Limited <ul style="list-style-type: none">• Shareholder's Grievance Committee - Member• Share Transfer Committee - Chairman• Committee of Banking and Legal Matter - Member

Ms. Preeti Chauhan, presently Additional Director, is proposed to be appointed as a Director of the Company, liable to retire by rotation at the ensuing Annual General Meeting. The information/details to be provided for the aforesaid Director are as under:-

Name	Qualification	Area of Expertise	Other Directorships	Committee Memberships
Preeti Chauhan	Graduate from Delhi University, M.Com in Business Policy and Corporate Governance from IGNOU and Member of ICSI	Ms. Preeti Chauhan is having experience in Secretarial, Legal, Finance and accounts.	NIL	Escorts Finance Limited <ul style="list-style-type: none">• Audit Committee - Member

D. Financial Calendar 2013-14 (tentative)

Board meeting to take on record financial results:

for the quarter ended 30.06.2013 : By 14th August, 2013

for the quarter ended 30.09.2013 : By 14th November, 2013

for the quarter ended 31.12.2013 : By 14th February, 2014

for the quarter ended 31.03.2014 : By 15th May, 2014



E. Dates of Book Closure

The Company will close its register of members and share transfer books from 14th September, 2013 to 20th September, 2013 (both days inclusive) for the purpose of Annual General Meeting.

F. Dividend

The Board recommends no dividend for the year.

G. Listing:

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

Stock Exchange	Stock Code
BSE Limited	511716

Demat ISIN no. in NSDL & CDSL	INE359A01012
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The Company is up to date on the payment of the Annual Listing Fees.

H. Registrar & Share Transfer Agent

In terms of SEBI circular dated 27.12.2002, the share transfer work in both physical as well as electronic modes was entrusted to and carried on by Alankit Assignments Ltd., Category I Registrar and Transfer Agents with their office at Alankit House, 2E/21, Jhandewalan Extension, New Delhi- 110 055.

I. Share Transfer System

The Company has appointed Alankit Assignments Ltd. as Share Transfer Agents and all work relating to share transfers is executed by them. Requests from shareholders holding shares in physical form, received by the Company and Share Transfer Agents are processed by Registrar and Transfer Agents and subject to all documents being in order are put up for approval to the Share Transfer Committee.

J. Market Price Data

Monthly high and low prices of Company's Shares at BSE during each month between April 01, 2012 to March 31, 2013 are given in the table below:-

Month	High		Low	
	BSE Sensex	Share price (in Rs.)	BSE Sensex	Share price (in Rs.)
April 2012	17,664.10	7.10	17,010.16	4.69
May 2012	17,432.33	6.65	15,809.71	4.22
June 2012	17,448.48	4.67	15,748.98	3.99
July 2012	17,631.19	4.84	16,598.48	3.87
August 2012	17,972.54	4.60	17,026.97	3.37
September 2012	18,869.94	4.70	17,250.80	3.47
October 2012	19,137.29	5.29	18,393.42	4.00
November 2012	19,372.70	5.40	18,255.69	3.91
December 2012	19,612.18	4.67	19,149.03	3.97
January 2013	20,203.66	5.03	19,508.93	3.97
February 2013	19,966.69	4.44	18,793.97	3.56
March 2013	19,754.66	4.24	18,568.43	2.74



K. Distribution of share holding as on 31.03.2013: -

a) On the basis of shares held:

No. of shares	No. of shareholders	% to total shareholders	No. of shares held	% to total shares held
Upto 100	20957	82.365	1838135	4.567
101 to 500	3261	12.816	966538	2.401
501 to 1000	667	2.621	572077	1.421
1001 to 5000	451	1.773	1067478	2.652
5001 to 10000	67	0.263	508471	1.263
10001 to 20000	18	0.071	258238	0.642
20001 to 30000	9	0.035	226566	0.563
30001 to 40000	2	0.008	63989	0.159
40001 to 50000	0	0	0	0
50001 to 100000	3	0.012	191560	0.476
100001 to 500000	1	0.004	151322	0.376
500001 and above	8	0.032	34405626	85.480
TOTAL	25444	100	40250000	100

b) On the basis of category

Category	No. of Shareholders	No. of Shares held	%
Promoter & Promoter Group			
a) Indian	7	28003178	69.573
b) Foreign	NIL	NIL	NIL
Public Shareholding Institutions :			
a) Mutual Funds & UTI	1	200	0.00
b) Banks / FIs	2	878704	2.184
c) FIIs / VCs etc.	NIL	NIL	NIL
Non Institutions :			
a) Private Bodies Corporate	185	5972611	14.839
b) Indian Public	25234	5387443	13.385
c) NRIs / OCBs etc.	15	7864	0.019
TOTAL	25444	40250000	100.00

L. Dematerialisation of Shares

The Equity shares of the Company are compulsorily traded and settled only in demat mode. As on 31.03.2013, approximately 95.46% of the shares of the Company are held in demat form.

M. Outstanding GDRs/ADRs/Warrants etc.

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

N. Plant Location:

The Company is not a Manufacturing Company, therefore, there is no plant.



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

P. Registrar and Transfer Agents: Alankit Assignments Limited
Alankit House, 2E/21
Jhandewalan Extension
New Delhi – 110055
Tel.- +91-11-42541953,
23541234, 42541234
Fax: +91-11- 23552001
Email-id:- rta@alankit.com

XI. CEO/CFO CERTIFICATION

The Manager and the Chief Financial Officer of the Company give certification on financial reporting and internal controls to the Board in terms of Clause 49 of the Listing Agreement.

On behalf of the Board

Place: Faridabad
Dated: 12th August, 2013

Sd/-
Inder Mohan Sakhuja
(Chairman)

AUDITORS' CERTIFICATE REGARDING COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT.

To the Members of

Escorts Finance Limited,

We have examined the compliance of the conditions of Corporate Governance by Escorts Finance Limited ("the Company") for the year ended 31st March 2013, as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges.

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

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

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

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

Place: Faridabad
Dated: 12th August, 2013

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



To the members of

ESCORTS FINANCE LIMITED**1. Report on the Financial Statements**

We have audited the accompanying financial statements of **Escorts Finance Limited ('the Company')**, which comprise the Balance Sheet as at March 31, 2013, and the Profit and Loss Statement and Cash Flow Statement for the year ended on that date, and a summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements

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

3. Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirement and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amount and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

4. Basis for Qualified Opinion

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

- (i) Note 22, regarding non-maintenance of investments in Government Securities as liquid assets in terms of Section 45-IB of Reserve Bank of India Act, 1934;*
- (ii) Note 23, regarding non-maintenance of minimum Capital Adequacy Ratio required to be maintained in terms of Non-Banking Financial Companies requirements;*
- (iii) Note 25, regarding the Company's credit rating;*
- (iv) Note 26, regarding discharge of Fixed Deposit holders liability by Escorts Benefit Trust created by Escorts Limited;*
- (v) Note 27, regarding non-verification of investment in securities for which provision has been made;*
- (vi) Note 31, regarding non-provision of preference dividend on cumulative preference shares;*
- (vii) Note 32, regarding non-determination of Employees Terminal Benefits on actuarial basis.*

5. Opinion

In our opinion and to the best of our information and according to the explanations given to us, **except for the effect of the matters described in paragraphs 4(iv), 4(v), 4(vi) and 4(vii) of Basis for Qualified Opinion above**, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (ii) In the case of the Profit & Loss Statement, of the loss for the year ended on that date; and
- (iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

6. Other Matters

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

7. Report on Other Legal and Regulatory Requirements

- (i) As required by the Companies (Auditor's Report) order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement of the matters specified in paragraph 4 and 5 of the said order.
- (ii) Further to our comments in the Annexure referred to in Paragraph 6(i) above, as required by 227(3) of the Act, we report that;



- a. We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit, **except for investment referred to in paragraph 4(v) above;**
- b. In our opinion proper books of account as required by law have been kept by the Company so far as appear from our examination of those books;
- c. The Balance Sheet, Profit and Loss Statement and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d. **Except for the effect of the matter described in paragraph 4(iv), 4(v), 4(vi) and 4(vii) of basis for Qualified Opinion above,** in our opinion, the Balance Sheet, Profit and Loss Statement and Cash Flow Statement dealt herewith comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
- e. On the basis of the written representations received from the Directors and taken on records by the Board of Directors, none of the Director is disqualified, as at the balance sheet date, from being appointed as Director in terms of section 274(1)(g) of the Companies Act, 1956;
- f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

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

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

Place: Faridabad
Dated: 27th May 2013

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

1. (a) The Company has maintained its fixed assets register showing full particulars, including quantitative details and the situation of its fixed assets;
(b) Fixed assets are physically verified by the management at reasonable intervals. In our opinion, the frequency of verification of the fixed assets by the management is reasonable having regard to the size of the Company and the nature of its assets. There was no material discrepancies noticed during such verification;
(c) The assets disposed off during the year are not significant and therefore do not affect the going concern assumption;
2. In view of the nature of the operations of the Company, the Company does not hold any inventory other than stock of repossessed assets, which have been verified by the management during the year. Provision has been made in respect of discrepancies/ diminution in the value of such stock as at the year end;
3. (a) During the year, the Company has not granted any loans, secured or unsecured, to Companies, firms or parties covered in the register maintained under Section 301 of the Companies Act, 1956. In view of the above, clause 4(iii) (b), (c) and (d) of the Order are not applicable to the Company;
(b) During the year, the Company has not taken any loans, secured or unsecured, from companies, firms or parties covered in the register maintained under Section 301 of the Companies Act, 1956. In view of the above, clause 4(iii) (f) and (g) of the Order are not applicable to the Company;
4. In our opinion and according to the information and explanations provided to us there are adequate internal control procedures commensurate with the size of the Company and the limited nature of its business in relation to fixed assets. In our opinion, **internal controls need to be strengthened in relation to other areas.**
5. In our opinion and according to the information and explanations given to us, there are no contracts or arrangements that need to be entered in the register required to be maintained under Section 301 of Companies Act, 1956. Accordingly clause (v)(a) of the Order is not applicable to the Company;
6. In respect of deposits accepted, in our opinion and according to the information and explanation given to us, the directives issued by Reserve Bank of India and the provisions of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 the Company has not complied with the said norms in relation to repayment of deposits on their respective maturity dates. However, the fixed deposit liability to the extent of Rs. 145.30 crores out of the total liability of Rs. 162.77 crores has already been discharged in terms of the Scheme of Compromise and Arrangement filed before the Hon'ble Delhi High Court. As at 31st March 2013, the unpaid/unclaimed matured fixed deposit liability (including interest thereon) is Rs. 17.47 crores.



7. **No internal audit was conducted by the Company during the year. The internal audit system of the Company, in our opinion, needs to be considerably strengthened;**
8. In view of nature of business of the Company, the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 has not been prescribed by the Central Government;
9. (a) According to the records, information and explanations provided to us, the Company is generally regular in depositing with appropriate authorities undisputed amount of provident fund, investor education protection fund, employee's state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other statutory dues applicable to it and no undisputed amounts payable were outstanding as at 31st March, 2013 for a period of more than six months from the date they became payable **except income tax liability amounting to Rs. 22.25 lacs;**
(b) The following are the details of disputed Income Tax and Sales Tax that have not been paid to the concerned authorities:

S. No.	Nature of Statutory Dues	Period to which the amount relates	Forum where Dispute is Pending	Unpaid Amount (in Rs. Lacs)
1	Income Tax	AY 2005-06	ITAT, New Delhi	131.34
2	Sales Tax	AY 2001-02 AY 1994-95 AY 1999-01	AC Appeal, Kolkata DC Appeal, Noida AC Appeal Jaipur	2.26 0.54 1.52

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

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

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

Place: Faridabad
Date: 27th May, 2013

BALANCE SHEET AS AT 31ST MARCH 2013


		Rs. in Lacs	
	Note No.	As at 31st March 2013	As at 31st March 2012
I EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	2	4,967.25	4,967.25
Reserves and Surplus	3	<u>(21,772.17)</u>	<u>(21,714.90)</u>
		(16,804.92)	(16,747.65)
NON-CURRENT LIABILITIES			
Long-Term Provisions	4	3.90	3.60
CURRENT LIABILITIES			
Other Current Liabilities	5	17,429.30	17,386.13
Short-Term Provisions	6	<u>189.54</u>	<u>189.54</u>
		17,618.84	17,575.67
TOTAL		<u>817.82</u>	<u>831.62</u>
II ASSETS			
NON-CURRENT ASSETS			
Fixed Assets	7		
Tangible Assets		0.52	0.90
Intangible Assets		<u>0.22</u>	<u>0.37</u>
		0.74	1.27
Non-Current Investments	8	489.93	491.18
Long Term Loans and Advances	9	<u>-</u>	<u>-</u>
		490.67	492.45
CURRENT ASSETS			
Current Investments	8	0.01	0.01
Inventories	10	0.67	0.96
Trade Receivables	11	-	-
Cash, Cash Equivalents and Bank Balances	12	7.22	15.55
Short-Term Loans and Advances	13	319.06	322.55
Other Current Assets	14	<u>0.19</u>	<u>0.10</u>
		327.15	339.17
TOTAL		<u>817.82</u>	<u>831.62</u>

Significant accounting policies **1**

Note numbers 20-41 form an integral part of the Financial Statements.

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

 Chartered Accountants
 Firm Regn. No. 108296W

For and on behalf of the Board of Directors

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

 Sd/-
P.K.Marwah
 Manager

 Sd/-
Pritam Narang
 Director

 Sd/-
Inder Mohan Sakhuja
 Chairman

 Place : Faridabad
 Date : 27th May, 2013

PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013


		Rs. in Lacs	
	Note No.	Year Ended 31st March 2013	Year Ended 31st March 2012
REVENUE			
Revenue from Operations	15	-	1.00
Other Income	16	47.48	44.01
Total Revenue		47.48	45.01
EXPENSES			
Employee Benefits	17	16.46	17.04
Finance Costs	18	0.55	0.03
Depreciation	7	0.37	0.52
Other Expenses	19	87.37	49.62
Total Expenses		104.75	67.21
Profit/(loss) before tax		(57.27)	(22.20)
Tax Expense :			
Tax adjustment for earlier years		-	533.62
Total Tax Expense		-	533.62
Net Profit/(Loss) for the year		(57.27)	(555.82)
Earnings per Equity Share-	38		
Basic / Diluted (in Rs.)		(0.14)	(1.38)

Significant Accounting Policies
1

Note numbers 20-41 form an integral part of the Financial Statements.

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

 Chartered Accountants
 Firm Regn. No. 108296W

For and on behalf of the Board of Directors

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

 Sd/-
P.K.Marwah
 Manager

 Sd/-
Pritam Narang
 Director

 Sd/-
Inder Mohan Sakhuja
 Chairman

 Place : Faridabad
 Date : 27th May, 2013



1. SIGNIFICANT ACCOUNTING POLICIES:

(a) Basis of Preparation

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

(b) Method of Accounting

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

(c) Use of Estimates

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

(d) Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation.

(e) Inventories

Repossessed assets are valued at the year-end at lower of book value or net realizable value.

(f) Depreciation

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

(g) Investments

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

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

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

(h) Revenue Recognition

1) Income is recognized on accrual basis except income related to non-performing assets, which is accounted on cash basis in accordance with prudential norms of Reserve Bank of India.

2) The Company has adopted Implicit Rate of Return (IRR) method of accounting in respect of finance charges income for hire purchase/loan transactions. As per this method, the IRR involved in each hire purchase/loan transaction is recognized and finance charges calculated by applying the same on outstanding principal financed thereby establishing equitable distribution of income over the period of the agreement.

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

(i) Employees Benefits

1) Defined Contribution Plan

Employees benefits in the form of Provident Fund are considered as defined contribution plan and the contributions are charged to the Profit and Loss statement of the year when the contributions to the respective funds are due.

2) Defined Benefits Plan

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



3) Other Long Term Benefits

Long term compensated absences are provided for on the basis of actual, as at the date of the Balance Sheet.

(j) Taxes on Income

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

	As at 31st March 2013	Rs. in Lacs As at 31st March 2012
2 SHARE CAPITAL		
Authorised :		
4,05,00,000 Equity Shares of Rs.10/- each	4,050.00	4,050.00
95,00,000 10% Redeemable Cumulative Preference Shares of Rs. 10/- each	950.00	950.00
	<u>5,000.00</u>	<u>5,000.00</u>
Issued, Subscribed and Paid-up :		
4,02,50,000 Equity Shares of Rs.10/- each	4,025.00	4,025.00
Less: Allotment Money in arrears from others	7.75	7.75
	4,017.25	4,017.25
95,00,000 10% Redeemable Cumulative Preference Shares of Rs 10/- each	950.00	950.00
	<u>4,967.25</u>	<u>4,967.25</u>

Out of the above:

- (a) 10% Redeemable Cumulative Preference Share redeemable on 27th June, 2017.
 (b) The details of Shareholder holding more than 5% shares:

Name of the Share holders	As at 31st March 2013		As at 31st March 2012	
	Number of Shares held	% of Shares held	Number of Shares held	% of Shares held
Escotrac Finance And Investment Private Limited	-	-	12750000	31.68%
Escorts Finance Investments And Leasing Private Limited	-	-	10747478	26.70%
Surendra Ambalal Dave, Trustee of Escorts Benefit and Welfare Trust	23497478	58.38%	-	-
Escorts Limited	3819700	9.49%	3819700	9.49%

	As at 31st March 2013	Rs. in Lacs As at 31st March 2012
3 RESERVES AND SURPLUS		
Securities Premium Account	2,643.83	2,643.83
Special Reserve	1,105.21	1,105.21
General Reserve	31.46	31.46
Profit & Loss Account		
Balance at beginning of the year	(25,495.40)	(24,939.58)
Add: Profit/(Loss) for the year	(57.27)	(555.82)
Balance at the end of the year	<u>(25,552.67)</u>	<u>(25,495.40)</u>
	<u>(21,772.17)</u>	<u>(21,714.90)</u>



		Rs. in Lacs									
		As at 31st March 2013	As at 31st March 2012								
4 LONG TERM PROVISIONS											
	Provision for Employee Benefits	3.90	3.60								
		<u>3.90</u>	<u>3.60</u>								
5 OTHER CURRENT LIABILITIES											
	Matured/Unclaimed Fixed Deposits and Interest thereon (Also refer Note-26)	1,747.43	2,101.88								
	Escorts Limited - FD Redemption	14,118.44	13,763.99								
	Other Payables	1,563.43	1,520.26								
		<u>17,429.30</u>	<u>17,386.13</u>								
6 SHORT TERM PROVISIONS											
	Provision for Employee Benefits	1.00	1.00								
	Provision for Tax	188.54	188.54								
		<u>189.54</u>	<u>189.54</u>								
7 FIXED ASSETS											
		GROSS BLOCK	DEPRECIATION	NET BLOCK							
		As at 01.04.12	Additions	Deductions	As at 31.03.13	As at 01.04.12	For the year	Adjustment	As at 31.03.13	As at 31.03.13	As at 31.03.12
TANGIBLE ASSETS											
	Furniture and Fixtures	6.90	-	0.44	6.46	6.54	0.06	0.40	6.20	0.26	0.36
	Office Equipment	34.28	-	7.53	26.75	33.80	0.14	7.41	26.53	0.22	0.48
	Motor Vehicle	0.58	-	-	0.58	0.52	0.02	-	0.54	0.04	0.06
	Total	41.76	-	7.97	33.79	40.86	0.22	7.81	33.27	0.52	0.90
INTANGIBLE ASSETS											
	Website Development	0.53	-	-	0.53	0.16	0.15	-	0.31	0.22	0.37
	Total	0.53	-	-	0.53	0.16	0.15	-	0.31	0.22	0.37
Total		42.29	-	7.97	34.32	41.02	0.37	7.81	33.58	0.74	1.27
Previous Year		(94.01)	(0.53)	(52.25)	(42.29)	(91.45)	(0.52)	(50.95)	(41.02)	(1.27)	
								Rs.in Lacs			
								As at 31st March 2013	As at 31st March 2012		
8 INVESTMENTS											
	Non Current Investments										
	Quoted (Trade Investments)										
	a) 9,600 Units - UTI EQUITY FUND (formerly UTI MASTERGAIN-92) (Previous Year: 9,600 Units) (Also refer Note-26)							1.25		1.25	
	Less: Provision for Diminution in value of Trade Investments							1.25		-	
								-		1.25	
	Unquoted (Non -Trade Investments)										
	a) 48,99,300 Equity Shares of ESCORTS ASSETS MANAGEMENT LIMITED (Previous Year: 48,99,300 Equity Shares)							489.93		489.93	
								<u>489.93</u>		<u>491.18</u>	



	As at 31st March 2013	Rs.in Lacs As at 31st March 2012
Current Investments		
Unquoted (Non -Trade Investments)		
a) 100 Equity Shares of Rs.10/- each of ESCORTS INVESTMENT TRUST LIMITED (Previous Year: 100 Equity Shares)	0.01	0.01
Unquoted (Trade Investments)		
a) 190,000 Equity Shares of Rs.10/- each of ESCORT CONSUMER CREDIT LIMITED (Previous Year: 190,000 Equity Shares)	0.02	0.02
b) 92,485 Equity Shares of Rs.10/- each of G R SOLVENTS & ALLIED INDUSTRIES LIMITED (Previous Year: 92,485 Equity Shares)	7.40	7.40
	7.42	7.42
Less: Provision for Diminution in value of Trade Investments	7.42	7.42
	-	-
	0.01	0.01
	489.94	491.19
(Total Market Value of Quoted Investments:Rs.Nil; Previous Year: Rs.5.24 lacs)		
9 LONG TERM LOANS AND ADVANCES		
Unsecured - Considered Doubtful	1,363.78	1,363.78
Less: Provision for bad & doubtful loans & advances	1,363.78	1,363.78
	-	-
10 INVENTORIES		
Stock of Repossessed Assets (Taken at net realisable value)	0.67	0.96
	0.67	0.96
11 TRADE RECEIVABLES		
Unsecured and outstanding for a period exceeding six months (Also refer Note-30)	904.64	919.09
Less: Provision for bad and doubtful trade receivables	904.64	919.09
	-	-
12 CASH, CASH EQUIVALENTS AND BANK BALANCES		
Cash in hand	2.30	0.61
Balances with Scheduled Banks :		
In Current Account	4.25	14.27
In Deposit Account	0.67	0.67
	7.22	15.55
13 SHORT TERM LOANS AND ADVANCES		
Security Deposits	3.52	3.35
Advance with public bodies	0.14	0.14
Advance payment of Income Tax	60.13	60.11
Other Loans and Advances		
Unsecured - Considered Good	255.27	258.95
	319.06	322.55
14 OTHER CURRENT ASSETS		
Interest accrued on Deposits	0.19	0.10
	0.19	0.10



	Year Ended 31st March 2013	Rs. in Lacs Year Ended 31st March 2012
15 REVENUE FROM OPERATIONS		
Finance Charges Earned	-	1.00
	<u>-</u>	<u>1.00</u>
16 OTHER INCOME		
Bad Debts Recovered	20.62	21.14
Overdue Interest	10.65	8.26
Dividend Income	-	0.29
Profit on sale of investments	-	5.39
Profit on sale of fixed assets	0.03	0.15
Credit Balances / Provisions no longer required written back	15.40	7.00
Interest Income	0.29	0.21
Reversal of Diminution in Value of repossessed stock	-	0.92
Miscellaneous Income	0.49	0.65
	<u>47.48</u>	<u>44.01</u>
17 EMPLOYEE BENEFITS		
Salaries, Allowances and Leave Encashment etc.	14.60	15.09
Contribution to Provident and Other funds	1.11	1.18
Staff Welfare	0.75	0.77
	<u>16.46</u>	<u>17.04</u>
18 FINANCE COSTS		
Bank Charges	0.06	0.03
Interest -Others	0.49	-
	<u>0.55</u>	<u>0.03</u>
19 OTHER EXPENSES		
Rates and Taxes	0.21	0.29
Legal and Professional Charges	17.73	14.68
Repairs and Maintenance	0.41	0.51
Printing and Stationery	0.25	0.62
Travelling and Conveyance	4.19	3.88
Advertisement and Publicity	1.13	1.80
Postage,Telex and Telephones	1.26	1.23
Payment to Auditors		
Audit Fee	1.35	1.37
Cretification Fee	4.09	-
Director's Sitting Fees	0.64	0.56
Rebate on Settlements	0.50	2.67
AGM	3.01	2.97
Provision for Doubtful Advances	-	0.79
Bad Debts Written Off	-	5.71
Doubtful Trade Receivables & Advances written off	-	20,010.59
Less: Provisions already held	<u>-</u>	<u>(20,010.59)</u>
Loss on sale of Fixed Assets	0.01	0.82
Loss on Sale of Investment	-	2.93
Provision for Loss of Trade Investments	1.25	-
Subscription & Fees	2.19	2.72
Diminution in Value of repossessed stock	0.29	-
Claims/Compensation paid	44.24	2.51
Miscellaneous	4.62	3.56
	<u>87.37</u>	<u>49.62</u>



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

21. Contingent Liabilities: (Rs. in Lacs)

Particulars	31st March 2013	31st March 2012
Sales tax demands against the Company not acknowledged as debt and not provided for in respect of which the Company is in appeal.	2.93	2.93

22. Due to continued financial constraints the Company was not able to maintain investment in Government Securities as liquid assets in terms of Section 45-IB of Reserve Bank of India Act, 1934.

23. Due to paucity of funds and no fresh business having been conducted by Company, the minimum Capital Adequacy Ratio could not be maintained as required for Non-Banking Financial Companies.

24. The company has filed an application with the Reserve Bank Of India (RBI) for deregistration of its NBFC status and accordingly Certificate of Registration (COR) has been surrendered.

25. The credit rating for the Fixed Deposits programme of the Company was revised in November, 2005 by CARE Limited to CARE (B) i.e. Susceptible to default. No rating has been sought thereafter.

26. In accordance with the Hon'ble Delhi High Court's Order / direction dated 4th March 2011, Escorts Benefit Trust (EBT) created by Escorts Limited, repaid matured fixed deposit liability against the claims received till 3rd March 2013. As at 31st March 2013, the unpaid/unclaimed matured fixed deposits liability is Rs.1747.43 lacs (Previous Year Rs.2101.88 lacs).

27. Investments in securities amounting to Rs.1.25 lacs at cost (Previous Year Rs. 1.25 lacs) are currently not traceable in the records. Adequate provision for the same has been made in the books of account as at the year end.

28. Due to the continued financial constraints faced by the Company, there is considerable delay/ difficulty in collection of installments due and recovery of advances. Adequate provision has been made in all such cases.

29. The company has not carried out any fresh business as a Non- Banking Financial Institution (NBFI) during the year in view of the restrictions placed by Reserve Bank of India. However the company continues to focus on recovery of delinquent assets through settlement/compromise/legal action etc. The management is also exploring possibilities of establishing the company in the businesses other than NBFI and accordingly the accounts of the company have been prepared on going concern basis.

30. Trade receivables amounting to Rs. 904.64 lacs (Previous Year Rs. 919.09 lacs) vide **Note No.-11** represent certain receivables against which legal actions/ settlements/compromises are in process. However, full provision is held against such receivables.

31. Due to accumulated losses and loss for the year, the company has not made any provision for preference dividend on cumulative preference shares.

32. The Company has not obtained Actuarial Valuation with regards to Employee's terminal benefits i.e., Gratuity and Leave Encashment as mandated by Accounting Standard 15 issued by the Institute of Chartered Accountants of India. In view of limited number of employee's left on rolls, the Company has made full provision for these benefits as on the Balance Sheet Date.

33. The Company is engaged primarily in the business of financing and accordingly there are no separate reportable segments as per the Accounting Standard – 17 'Segmental Reporting'.

34. Related Party Disclosure as identified and certified by the management:

Related party disclosures as required under Accounting Standard 18 on "Related Party Disclosure" issued by the Institute of Chartered Accountants of India are given below:



(a) Joint Ventures and Associates:

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

(b) Key Management Personnel:

- Mr. P. K. Marwah - Manager

(c) Related Party Transactions:

- Investment in shares of Escorts Assets Management Limited as on 31st March, 2013 is Rs. 489.93 lacs (as on 31st March, 2012 Rs. 489.93 lacs)

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

36. In opinion of the Board, the loans & advances and other current assets have a value, which if realized in the ordinary course of business, will not be less than the value stated in the Balance Sheet.

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

38. Earning Per Share

I) Basic

S. No.	Particulars	31 st March 2013	31 st March 2012
1	Opening No. of shares	40172500	40172500
2	Total Shares outstanding	40172500	40172500
3	Profit/ (Loss) after tax (Rs. Lacs)	(57.27)	(555.82)
4	Earning per Share (Rupees)	(0.14)	(1.38)

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

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

40. As per the information available, there are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2013. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. (Previous Year: Rs. Nil).

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

As per our report attached.

For N.M.Raiji & Co.

Chartered Accountants
Firm Regn. No. 108296W

For and on behalf of the Board of Directors

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

Sd/-
P.K.Marwah
Manager

Sd/-
Pritam Narang
Director

Sd/-
Inder Mohan Sakhuja
Chairman

Place : Faridabad
Date : 27th May, 2013

CASH FLOW STATEMENT



	Rs. in Lacs	
	Year Ended 31st March 2013	Year Ended 31st March 2012
A Cash Flow from Operating Activities		
Net Profit/(Loss) Before tax & appropriations	(57.27)	(22.20)
Financial Expenses	0.55	0.03
Depreciation as per profit & loss A/c	0.37	0.52
Provision for Investments	1.25	-
Provision for Diminution in value of repossessed stock	0.29	(0.92)
Provision for Gratuity & Leave Encashment	0.30	0.28
(Profit)/Loss on sale of Assets (Net)	(0.02)	0.67
(Profit)/Loss on sale of Investments (Net)	-	(2.46)
Interest/Dividend received from investment activities	-	(0.50)
Excess Provision written back	(15.40)	(6.65)
Operating Profit before working Capital Changes	(69.93)	(31.23)
Adjustment for:		
(Increase)/Decrease in Repossesd Stock	-	1.52
(Increase)/Decrease in Trade Receivables	14.45	19,538.04
(Increase)/Decrease in Other Current Assets	3.43	823.32
Increase/(Decrease) in Current Liabilities & Provisions	398.54	(18,830.12)
Cash Generated From Operations	346.49	1,501.53
Financial Expenses	(0.55)	(0.03)
Cash Generated From Operations (A)	345.94	1,501.50
B Cash Flow from Investing activity		
Purchase of Fixed Assets	-	(0.53)
Sale of Fixed Assets	0.18	0.63
(Increase)/Decrease in Investments	-	(466.71)
Interest/Dividend Received	-	0.50
Net Cash Flow from Investing activity (B)	0.18	(466.11)
C Cash Flow from financing Operations		
Increase/(Decrease) in Fixed Deposits	(354.45)	(1,153.05)
Net cash used from Financing Activities (C)	(354.45)	(1,153.05)
Cash and Cash Equivalents at the beginning of the year	15.55	133.21
Net Increase in Cash and Cash Equivalents (A+B+C)	(8.33)	(117.66)
Cash and Cash Equivalents at the end of the year	7.22	15.55

As per our report of even date attached.

For N.M.Raiji & Co.

Chartered Accountants

Firm Regn. No. 108296W

For and on behalf of the Board of Directors

Sd/-

CA S.N. Shivakumar

Partner

Membership No. 088113

Sd/-

P.K.Marwah

Manager

Sd/-

Pritam Narang

Director

Sd/-

Inder Mohan Sakhuja

Chairman

Place : Faridabad

Date : 27th May, 2013

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



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

(Rs.In lacs)		
Particulars		
LIABILITIES SIDE:		
	Amount Outstanding	Amount Overdue
(1) Loans and advances availed by the NBFCs inclusive of interest accrued there on but not paid:		
(a) Debentures : Secured	Nil	Nil
: Unsecured	Nil	Nil
<small>(Other than falling within the Meaning of public deposits)*</small>		
(b) Deferred Credits	Nil	Nil
(c) Term Loans	Nil	Nil
(d) Inter-corporate loans and borrowings	Nil	Nil
(e) Commercial Paper	Nil	Nil
(f) Public Deposit*	1747.43	Nil
(Refer Note No 24)		
(g) Other Loans		
WC DL, CC, LOC, etc	Nil	Nil
Security Deposit from Borrowers	Nil	Nil
<small>* Please see Note 1 below</small>		
(2) Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued there on but not paid):		
(a) In the form of Unsecured debentures	Nil	Nil
(b) In the form of partly secured debentures I.e. debentures where there is a shortfall in the value of security	Nil	Nil
(c) Other public deposits	1747.43	Nil
ASSETS SIDE :		
(3) Break-up of Loans and Advances including bills receivables other than those included in (4) below:	Amount Outstanding	
(a) Secured	-	
(b) Unsecured	319.06#	
<small># Net of Bills Rediscounted of Rs.Nil lacs</small>		
(4) Break-up of Leased Assets and stock on hire and hypothecation loans counting towards EL/HP activities:		
(I) Lease assets including lease rentals under sundry debtors:		
(a) Financial Lease	Nil	
(b) Operating Lease	Nil	
(ii) Stock on hire including hire charges under sundry debtors:		
(a) Asset on hire	Nil	
(b) Repossessed Assets	0.67	
(iii) Hypothecation loans counting towards EL/HP activities:		
(a) Loans where assets have been repossessed	Nil	
(b) Loans other than (a) above	Nil	
<small># Includes Loan cum Hypothecation Agreements.</small>		
<small>@ Net of provisions for Doubtful Debt.</small>		
(5) Break-up of Investments :		
Current Investments :		
1 Quoted :		
(i) Shares: (a) Equity	Nil	
(b) Preference	Nil	
(ii) Debentures and Bonds	Nil	
(iii) Unit of mutual funds	Nil	
(iv) Government Securities	Nil	
(v) Other (Please specify)	Nil	
2 Unquoted :		
(i) Shares: (a) Equity	0.01	
(b) Preference	Nil	

	(ii) Debentures and Bonds	Nil
	(iii) Unit of mutual funds	Nil
	(iv) Government Securities	Nil
	(v) Other (Please specify)	Nil
# Net of provisions		
Long Term Investments		
1 Quoted :		
(i) Shares: (a) Equity		Nil
(b) Preference		Nil
(ii) Debentures and Bonds		Nil
(iii) Unit of mutual funds		Nil
(iv) Government Securities		Nil
(v) Other (Please specify)		Nil
2 Unquoted :		
(i) Shares: (a) Equity		489.93
(b) Preference		Nil
(ii) Debentures and Bonds		Nil
(iii) Unit of mutual funds		Nil
(iv) Government Securities		Nil
(v) Other (Please specify)		Nil
(6) Borrower group-wise classification of all leased assets, stock on hire and loans and advances:		
<small>Please see Note 2 below</small>		
		Amount net of provisions
		Secured Unsecured Total
1 Related Parties**		
(a) Subsidiaries	Nil	Nil
(b) Companies in the same group	Nil	Nil
(c) Other related parties	Nil	Nil
2 Other than related parties	0.67	319.06
Total	0.67	319.73
<small>** As per Accounting Standard of ICAI (Please see Note 3)</small>		
(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):		
<small>Please see Note 3 below</small>		
		Market Value/ Break-up or fair value or NAV (net of Provisions)
		Book Value
		(net of Provisions)
1 Related Parties**		
(a) Subsidiaries	Nil	Nil
(b) Companies in the same group	Nil	Nil
(c) Other related parties	Nil	Nil
2 Other than related parties	489.94	489.94
Total	489.94	489.94
<small>** As per Accounting Standard of ICAI (Please see Note 3)</small>		
(8) Other Informations		
Particulars		
(i) Gross Non-Performing Assets		
(a) Related Parties		Nil
(b) Other than related parties		Nil
(ii) Net Non-Performing Assets		
(a) Related Parties		Nil
(b) Other than related parties		Nil
(iii) Assets acquired in satisfaction of debt		188.47
Notes :		
1	As defined in Paragraph 2(1)(xii) of Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.	
2	Provisioning norms shall be applicable as prescribed in the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998.	
3	All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debts. However, market value in respect of quoted investments and break-up/ fair value/ NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in column (5) above.	



Dear Shareholder,

Re: Green Initiative in Corporate Governance: Go Paperless

The Ministry of Corporate Affairs ("Ministry") by issuing their circular 17/2011 dated 21st April, 2011 & 18/2011 dated 29th April, 2011 took a "Green Initiative in Corporate Governance" by allowing paperless compliances by companies using electronic mode.

The companies are now allowed to send Notices /Documents including Notice calling Annual General Meeting, Audited Financial Statements, Directors' Report, Auditors' Report etc., to their shareholders using electronic mode to the registered email addresses of the shareholders.

We at **Escorts Finance Limited** also welcome this green initiative as it will reduce paper consumption to a great extent and allow public at large to contribute towards a greener environment.

This is a great opportunity for all the shareholders of **Escorts Finance Limited** to support this move fully. Besides conserving environment this would enable you to receive the communication promptly, avoid any loss of document in transit and also saving cost of paper and postage.

All you have to do is to register your email Id by returning the **appended letter** stating your email Id or send us an email stating **your Folio No. or DP Id & Client Id** to receive communication as stated above through electronic mode, henceforth.

Please quote your Folio No. or DP Id & Client Id in all communication with us.

Let's be part of this "Green Initiative"

For **Escorts Finance Limited**

Sd/-

Vicky Chauhan
Company Secretary

ESCORTS FINANCE LIMITED

15/5, Mathura Road, Faridabad-121 003, Haryana, India

Phone: +91-129-2564116. Fax: +91-129- 2250060

email :escortsfinance@escorts.co.in, website : www.escortsfinance.com

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



PLEASE RETURN



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

Date:

Dear Sirs

Sub: Registration of email Id

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

email Id: _____

Thanking you

Shareholder Name: _____ Signature _____

Folio No. _____ Phone No. _____

DP id & Client ID _____ Mobile No. _____

BLANK

ATTENDANCE SLIP

(Please complete this attendance slip and hand it over at the entrance)

**ESCORTS FINANCE LIMITED****Registered Office
SCO - 198-200, Second Floor,
Sector - 34A,
Chandigarh - 160022.**I/We hereby record my/our presence at the **25th Annual General Meeting** of the Company being held at 3.00 P.M. on Friday, **20th September, 2013** at Hotel KC Residency, SCO - 377-380, Sector - 35B, Chandigarh - 160035.

DPID	
------	--

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

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

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

(in demat form)

(in physical form)

Name: _____

Father's/Husband's Name: _____

Jointly with 1. _____
2. _____Address _____
_____Signature of the member(s)/Proxy holder(s)

- Notes: 1. Members/Proxy holders are requested to bring the original attendance slip duly filled & signed in, with them when they come to the meeting venue and hand it over at the entrance. Members are requested to bring their own copy of notice with them.
2. For the convenience of members, persons other than members/proxies will not be admitted.
3. Incomplete attendance slips shall not be accepted for the entry in the meeting hall.
4. Joint holders may obtain additional attendance slip at the venue of the meeting.
5. **No Snack Boxes shall be distributed at the venue of the meeting.**

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

PROXY FORM**ESCORTS FINANCE LIMITED****Registered Office
SCO - 198-200, Second Floor,
Sector - 34A,
Chandigarh - 160022.**

DPID	
------	--

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

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

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

(in demat form)

(in physical form)

I/We _____ of _____
_____ being a member(s) of Escorts Finance Limited hereby appoint
_____ of _____ (or failing him/her)
_____ of _____ (or failing him/her)
_____ of _____ as my/our proxy to attend and vote for me/us
on my/our behalf at the **25th Annual General Meeting** of the Company to be held at 3.00 P.M. on Friday, **20th September, 2013** at Hotel KC Residency, SCO - 377-380, Sector - 35B, Chandigarh - 160035.

Signed this ____ day of _____ 2013

Signature of member

15 Paise
revenue
stamp

Signature of the Joint Holder(s) 1. _____ 2. _____

Name _____

Jointly with 1. _____ 2. _____

Address _____

Note: The proxy form in order to be valid must be deposited at the registered office of the Company atleast 48 hours before the scheduled time for the commencement of the meeting.

BOOK-POST

Printed by **MODERN**;modernyscoop@gmail.com

If undelivered, please return to:

The Company Secretary
ESCORTS FINANCE LIMITED
15/5, Mathura Road
Faridabad - 121003
Haryana