

Annexure – D **to the Directors' Report**

Report on Corporate Governance

I. Company's Philosophy on Corporate Governance

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

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

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

The objective of Good Corporate Governance is to ensure the Board's commitment towards transparent management to maximise long-term value for the Company's shareholders and all 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, Corporate Governance practices aim to adhere to the highest governance standards through continuous evaluation and benchmarking.

II. Board of Directors

The composition of the Board of Directors is in conformity with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "the Listing Regulations"), as amended from time to time.

The Board of Director(s) along with its Committee(s) provide leadership and guidance to the Company's Management and directs, supervises and controls the performance of the Company. The Board of Director(s) of the Company comprises of distinguished personalities, who have been acknowledged in their respective fields. As at the end of financial year, Five out of Nine Directors on the Board are independent & non-executive and 1 is non-independent & non-executive.

Mr. Nikhil Nanda, Chairman is also acting as Managing Director of the Company and is in whole-time employment of the Company. Ms. Nitasha Nanda, Whole-time Director and Mr. Shailendra Agrawal, Executive Director are also in whole-time employment of the Company.

Independent Directors are Non-Executive Directors as defined under Regulation 16(1)(b) of the Listing Regulations read with Section 149(6) of the Companies Act, 2013 ("the Act"). The maximum tenure of Independent Directors is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16(1)(b) & 25(8) of the Listing Regulations read with Section 149(6) of the Act.

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

Mr. D.J. Kakalia, Independent Director of the Company had resigned from the Board of Directors of the Company w.e.f. November 27, 2019 due to personal reason.

He also confirmed vide his communication that there is no material reason other than the personal reasons.

familiarise with various developments at Industry level, new business initiatives and organisation strategies etc.

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

The details of programme for familiarisation of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of industry in which the Company operates, business model of the Company and related matters are put up on the website of the Company –www.escortsgroup.com.

The Company has devised a process where various presentations/ programs are being conducted to make them

As on March 31, 2020, the Board comprises of Nine Directors. The names and categories of Directors, the number of Directorship and Committee position(s) held by them in the companies, meetings attended by them and other relevant particulars are given below.

Name and Category	Designation	Directorship in other listed entity & Category	Relationship with each other	No. of Board meetings attended during the financial year	Whether attended the last AGM	No. of directorships in Public Companies (#)	No. of Committee Memberships / (Chairmanships) in Public Companies (Λ)
Mr. Nikhil Nanda Executive & Non-Independent (Promoter)	Chairman and Managing Director	-	Brother of Ms. Nitasha Nanda	5	Y	2	-
Mr. Shailendra Agrawal Executive & Non-Independent	Executive Director	-	*	5	Y	2	-
Ms. Nitasha Nanda Executive & Non-Independent (Promoter Group)	Whole-time Director	-	Sister of Mr. Nikhil Nanda	5	Y	3	-
Mr. Hardeep Singh Non-Executive & Non-Independent	Director	UPL Limited, Independent Director	*	5	Y	3	4(2)
Mr. P.H. Ravikumar Non-Executive & Independent	Independent Director	Bharat Forge Limited, Independent Director Aditya Birla Capital Limited, Independent Director	*	5	Y	7	8(3)
Mrs. Vibha Paul Rishi Non-Executive & Independent	Independent Director	Asian Paints Limited, Independent Director Tata Chemicals Limited, Independent Director ICICI Prudential Life Insurance Company Limited, Independent Director The Indian Hotels Company Limited, Independent Director	*	5	Y	8	9(1)
Dr. Sutanu Behuria Non-Executive & Independent	Independent Director	-	*	5	Y	3	4
Mr. G.B. Mathur(1) Non-Executive & Non-Independent	Director	N.A.	*	1	Y	N.A.	N.A.
Mr. D.J. Kakalia(2) Non-Executive & Independent	Independent Director	N.A.	*	3	Y	N.A.	N.A.
Mr. Ravi Narain(3) Non-Executive & Independent	Independent Director	N.A.	*	-	N.A.	N.A.	N.A.
Mr. Sunil Kant Munjal(4) Non-Executive & Independent	Independent Director	Shivam Autotech Limited, Chairman DCM Shriram Limited, Independent Director	*	5	Y	5	3

Name and Category	Designation	Directorship in other listed entity & Category	Relationship with each other	No. of Board meetings attended during the financial year	Whether attended the last AGM	No. of directorships in Public Companies (#)	No. of Committee Memberships / (Chairmanships) in Public Companies (A)
Ms. Tanya Dubash (5) Non-Executive & Independent	Additional & Independent Director	Godrej Industries Limited, Executive Director Godrej Consumer Products Limited, Director Godrej Agrovvet Limited, Director Britannia Industries Limited, Independent Director	*	2	N.A.	8	1

Y = Yes N = No

* Not related to any other director of the Company.

(#) Including Escorts Limited.

(A) In accordance with Regulation 26, Membership/ Chairmanships of Audit Committees and Stakeholders' Relationship Committees in all Public Limited Companies (including Escorts Limited) have been considered.

(1) Ceased to be Director w.e.f. December 31, 2019 and three meetings held during his tenure in the year ended March 31, 2020.

(2) Ceased to be Director w.e.f. November 27, 2019 and three meetings held during his tenure in the year ended March 31, 2020.

(3) Ceased to be Director w.e.f. May 1, 2019 and no meeting held during his tenure in the year ended March 31, 2020

(4) Appointed as Director of the Company w.e.f. May 7, 2019

(5) Appointed as Director of the Company w.e.f. January 29, 2020 and two meetings held during her tenure in the financial year ended March 31, 2020.

Notes:

1) None of the Directors represent a Lender or Equity Investor.

2) None of the Non-Executive Directors have substantial shareholding in the Company.

Certification from Company Secretary in Practice

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

Key Board Qualifications, Expertise and Attributes

The Board of Escorts 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 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.
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Leadership	Expended lead Expended leadership experience for a significant enterprise, resulting in a practical understanding of organisations, 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.
Sales and Marketing	Experience in developing strategies to grow sales and market share, build brand awareness and equity, and enhance enterprise reputation.

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:

Name of Directors	Area of Expertise				
	Financial	Leadership	Merger and Acquisitions	Board Service and governance	Sales and Marketing
Mr. Nikhil Nanda, Chairman and Managing Director	Y	Y	Y	Y	Y
Ms. Nitasha Nanda, Whole-time Director	Y	Y	-	Y	-
Mr. Shailendra Agrawal, Executive Director	Y	Y	Y	Y	Y
Mr. Hardeep Singh, Director	Y	Y	Y	Y	Y
Mr. P.H. Ravikumar, Independent Director	Y	Y	Y	Y	-
Mrs. Vibha Paul Rishi, Independent Director	Y	Y	-	Y	Y
Dr. Sutanu Behuria, Independent Director	Y	Y	-	Y	-
Mr. Sunil Kant Munjal, Independent Director	Y	Y	Y	Y	Y
Ms. Tanya Dubash, Independent Director	-	Y	-	Y	Y

III. Directors' Membership in Board/ Committees of Other Companies

In terms of the provisions of the Listing Regulations, none of the Directors on the Company's Board is a member of more than ten committees and Chairman of more than five committees (Committees being, Audit Committee and Stakeholders' Relationship Committee) across the companies in which they are associated as Directors. All the Directors have made necessary disclosures regarding Committee positions held by them in other companies and do not hold the office of Director in more than twenty companies including ten public companies (including 7 listed companies).

IV. Board Meetings

During the financial year ended on March 31, 2020 the Board of Directors met Five (5) times on the following dates:-

May 7, 2019, July 27, 2019, November 2, 2019, January 29, 2020 and March 20, 2020.

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

Information supplied to the Board

Regular presentations are made to the Board of Directors covering Business Operations, Finance, Sales, Accounts, Marketing, Compliances and other important business issues.

The Annual Operating and Capital Budget(s) are approved by the Board of Directors. The Board spends considerable time in reviewing the actual performance of the Company vis-à-vis the approved budget.

Code of Conduct

The Company has adopted a Code of Conduct for Directors and Senior Management of the Company. The Code has been circulated to all the members of the Board and Senior Management and the same is also available on the Company's website: <https://www.escortsgroup.com/investors/governance.html>

The Board members and Senior Management personnel of the Company have affirmed their compliance with the code. A declaration to this effect signed by the Chairman and Managing Director of the Company is contained hereinafter in this Report.

Declaration by C.E.O.

The Board of Directors,
Escorts Limited

Dear Sir,

I hereby confirm that:

The Company has received from the members of the Board and Senior Management, a declaration of compliance with the Code of Conduct for Directors and Senior Management in respect of financial year ended on March 31, 2020.

Place: Faridabad
Date: May 14, 2020

Sd/-
Nikhil Nanda
Chairman & Managing Director

Vigil Mechanism

The Company has adopted a Whistle Blower Policy to report instances of unethical behaviour, fraud or violation of the Ethics Policy of the Company. The Whistle Blower Policy has been circulated to all the employees and directors of the Company and the same is also available on the Company's website: www.escortsgroup.com.

V. Audit Committee Constitution

As on March 31, 2020 the Audit Committee comprises of the following Non-Executive Directors:

1. Mr. P. H. Ravikumar – Independent Director (Chairman)
2. Mr. Hardeep Singh – Non-Independent Director
3. Mrs. Vibha Paul Rishi – Independent Director
4. Dr. Sutanu Behuria – Independent Director

During the year, Mr. Ravi Narain, Independent Director has resigned from the Board of Company w.e.f. May 1, 2019 and cease to be the member of the Audit Committee.

All the members of the Audit Committee have accounting, economic and financial management expertise. The composition of the Audit Committee is in compliance with the provisions of Section 177 of the Act and the 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 and 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.

During the financial year ended on March 31, 2020 the Committee met Six (6) times on the following dates:-

May 7, 2019, July 27, 2019, August 3, 2019, November 2, 2019, January 29, 2020 and March 20, 2020.

During the year, till November 30, 2019 Mr. Ajay Kumar Sharma, Group General Counsel & Company Secretary and thereafter Mr. Satyendra Chauhan, Company Secretary & Compliance Officer acted as Secretary of the Audit Committee.

Terms of Reference

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

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, reappointment and, if required, the replacement or removal of the statutory auditors and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Directors' Responsibility Statement forming part of Directors' Report in terms of Clause (c) of sub-section 3 of Section 134 of the Act.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgement 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 utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Reviewing and monitoring the auditors independence & performance, and effectiveness of audit process.

8. Approval or any subsequent modification of transactions of the Company with related parties.
9. Scrutiny of inter-corporate loans and investments.
10. Valuation of undertakings or assets of the Company, wherever it is necessary.
11. Evaluation of internal financial controls and risk management systems.
12. Reviewing, with the management, performance of statutory & internal auditors, adequacy of the internal control systems.
13. Reviewing the adequacy of internal audit function, if any, including the structure of internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
14. Discussion with internal auditors of any significant findings and follow up thereon.
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
17. Investigating the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
18. To review the functioning of the Whistle Blower mechanism.
19. Approving the appointment of Chief Financial Officer (i.e. the Whole-time Finance 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:
 - a. Management discussion and analysis of financial condition and results of operations;
 - b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
 - c. Management letters/ letters of internal control weaknesses issued by the statutory auditors;
 - d. Internal audit reports relating to internal control weaknesses, if any;
 - e. Appointment, removal and terms of remuneration of the Chief Internal Auditor, if any;
 - f. The Financial Statements, in particular, the investments made by the unlisted subsidiaries of the Company, in view of the requirements under the Listing Regulations;
 - g. Details of material transactions with related parties, which are not in the normal course of business; and
 - h. Details of material transactions with related parties or others, if any, which are not on arm's length basis, along with management's justification for the same.
 - i. Statement of deviations: (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1). (b) annual statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice in terms of the Listing Regulations 32(7).

The Audit Committee is endowed with the following powers:

- 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.

Meetings & Attendance

Name of Member	No. of Meeting	
	Held	Attended
Mr. P.H. Ravikumar (Chairman)	6	6
Mr. Hardeep Singh	6	6
Dr. Sutanu Behuria	6	6
Mrs. Vibha Paul Rishi	6	6
Mr. Ravi Narain*	-	-

* Resigned from directorship w.e.f. May 1, 2019 and no meeting held during his tenure in the financial year ended March 31, 2020

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

VI. Nomination and Remuneration Committee Constitution

As on March 31, 2020, the Nomination and Remuneration Committee comprises of following Non-Executive Directors:

- Mr. P. H. Ravikumar – Independent Director (Chairman)
- Mr. Hardeep Singh – Non-Independent Director
- Mrs. Vibha Paul Rishi – Independent Director
- Dr. Sutanu Behuria – Independent Director

Terms of Reference

The Charter of the Committee is as prescribed under Section 178 of the Act read with the Listing Regulations viz.:

- 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;
- Formulation of criteria for evaluation of Independent Directors and the Board;

- Devising a policy on Board diversity;
- 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;
- Recommend to the board, all remuneration, in whatever form, payable to senior management.

The Nomination and Remuneration Committee has been constituted to recommend/ review remuneration of the directors, key managerial personal and other employees, based on their performance and defined assessment criteria.

The remuneration policy of the Company is directed towards rewarding performance, based on review of achievements. It is in consonance with the existing industry practice.

Non-Executive Directors can also be paid a commission based on the performance of the Company. During the period under review there are no pecuniary relationships or material transactions of the Non-Executive Directors viz-a-viz the Company.

Meetings & Attendance

During the financial year ended on March 31, 2020 the Committee met Three (3) times on May 7, 2019, November 2, 2019 and January 29, 2020.

Name of Member	No. of Meeting	
	Held	Attended
Mr. P.H. Ravikumar (Chairman)	3	3
Mr. Hardeep Singh	3	3
Dr. Sutanu Behuria	3	3
Mrs. Vibha Paul Rishi	3	3

Remuneration Policy

The Company's remuneration policy for Directors, Key Managerial Personnel, Senior Management and other employees is annexed as **Annexure – B** to the Directors' Report.

The Company's remuneration policy is directed towards rewarding performance based on review of achievements periodically. The remuneration policy is in consonance with the existing industry practice.

Details of Remuneration of Directors

The Company has not paid any remuneration to any of its Non-Executive Directors, except Sitting Fees for attending meetings of the Board and all its Committees for which ₹ 50,000 per meeting was paid for Board

Meeting and Audit Committee Meeting and ₹ 20,000 per meeting was paid for any other committee meeting. The aggregate amount of sitting fees paid during the financial year was ₹ 38.60 lakhs (excluding applicable taxes). The director wise payment of sitting fee is provided in Form MGT-9 attached as **Annexure – H** to the Directors' Report.

The shareholders of the Company has approved the payment of commission to Non-Executive Directors in the Annual General Meeting held on July 27, 2019 for a period of five years. Accordingly, for the financial year ended on March 31, 2020, Mr. P.H. Ravikumar, Mrs. Vibha Paul Rishi, Dr. Sutanu Behuria, Mr. Sunil Kant Munjal and Mr. Hardeep Singh have been paid commission of ₹ 9,00,000/- (Rupees Nine lakhs only) each and Ms. Tanya Dubash who has joined the Board on January 29, 2020 has been paid commission of ₹ 4,50,000/- (Four lakhs and Fifty Thousand only), aggregating to ₹ 49,50,000/- (Rupees Forty Nine lakhs and Fifty Thousand only) and the same is within the limits of 1% of the net profits of the Company calculated under Section 198 of the Companies Act, 2013.

The remuneration paid/ payable to Mr. Nikhil Nanda, Chairman and Managing Director, Ms. Nitasha Nanda, Whole-time Director and Mr. Shailendra Agrawal, Executive Director of the Company for the financial year ended on March 31, 2020 are as follows:

Particulars	(₹ in crores)		
	Mr. Nikhil Nanda	Ms. Nitasha Nanda	Mr. Shailendra Agrawal
Basic Salary	2.36	0.72	1.30
Allowances & Perquisites	4.02	1.07	1.76
Provident Fund Contribution	0.28	0.09	0.16
Others	0.07	0.00	0.01
Commission*	4.40	0.75	0.00
Total	11.13	2.62	3.23

* Commission for FY 2019-20

The tenure of office of the Chairman and Managing Director, Whole-time Director and Executive Director is for a period of five years from their respective date of appointment. The services of said Directors with the Company can be terminated as per the terms approved by the shareholders. In the event of termination of services, they shall be entitled to receive compensation in accordance with the provisions of Section 202 of the Act.

No stock options were issued to the Directors during the period under report.

VII. Shares held by Non-Executive Directors

Name	Category	No. of Equity Shares held
Mr. P.H. Ravikumar	Independent	-
Mrs. Vibha Paul Rishi	Independent	-
Dr. Sutanu Behuria	Independent	-
Mr. Hardeep Singh	Non-Independent	500
Mr. Sunil Kant Munjal	Independent	26270
Ms. Tanya Dubash	Independent	-

VIII. Stakeholders' Relationship Committee

Constitution

As on March 31, 2020, the Stakeholders' Relationship Committee comprises of following Non-Executive Directors:-

1. Mr. Hardeep Singh – Non-Independent Director – Chairman
2. Mrs. Vibha Paul Rishi – Independent Director
3. Dr. Sutanu Behuria – 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 & Attendance

During the financial year ended on March 31, 2020, the Committee met on 4 (Four) times as on: May 7, 2019, July 27, 2019, November 2, 2019 and March 20, 2020.

Name of Member	Designation	No. of Meeting	
		Held	Attended
Mr. Hardeep Singh	Chairman	4	4
Dr. Sutanu Behuria	Member	4	4
Mrs. Vibha Paul Rishi	Member	4	4

Compliance Officer

During the year, till November 30, 2019 Mr. Ajay Kumar Sharma, Group General Counsel & Company Secretary & thereafter Mr. Satyendra Chauhan, Company Secretary & Compliance Officer acted as Compliance Officer as per the requirements of the Listing Regulations.

Complaints received/ resolved

During the period under review, 161 complaints were received from investors which were replied/ resolved to the satisfaction of investors except 1 complaint pending as on 31.03.2020 which will be replied/ resolved in due course.

Pending Share Transfers

No requests for transfer and/ or dematerialisation were pending for redressal as on March 31, 2020.

IX. Risk Management Committee

Constitution

During the financial year ended on March 31, 2020, the Risk Management Committee had been reconstituted pursuant to resignation of Mr. Ravi Narain, Independent Director.

The Risk Management Committee comprises of following persons:-

1. Mr. Nikhil Nanda – Chairman
2. Dr. Sutanu Behuria – Member
3. Mr. Bharat Madan – Member

Terms of Reference

The charter of the Committee shall be as follows:

- (i) Formulation & modification of the Risk Management Policy.
- (ii) Framing, implementing and monitoring the Risk Management Plan.
- (iii) Periodic reporting to the Audit Committee on the risk and its mitigation.
- (iv) Others functions in accordance with the applicable provisions of the Act read with rules made thereunder and the Listing Regulations.

Meetings & Attendance

During the financial year ended on March 31, 2020, the Committee met once on January 29, 2020.

Name of Member	Designation	No. of Meeting	
		Held	Attended
Mr. Nikhil Nanda	Chairman	1	1
Dr. Sutanu Behuria	Member	1	1
Mr. Bharat Madan	Member	1	1

Note: No Committee meeting was held during the tenure of Mr. Ravi Narain as Member of the Committee during the year.

Corporate Social Responsibility

Constitution

During the financial year ended on March 31, 2020 the Corporate Social Responsibility (CSR) Committee had been reconstituted. Mr. G.B. Mathur ceased to be Director of the Company w.e.f. December 31, 2019 and Mr. P.H. Ravikumar was inducted as Member of the Committee on January 29, 2020.

The CSR Committee comprises of following persons:

1. Mr. Nikhil Nanda - Chairman
2. Mr. Hardeep Singh - Member
3. Mrs. Vibha Paul Rishi - Member
4. Mr. P.H. Ravikumar - Member

Terms of Reference

The said committee has been entrusted with the responsibility of formulating and recommending to the Board, CSR Policy indicating the activities to be undertaken by the Company, monitoring the implementation of the framework of CSR Policy and recommending the amount to be spent on CSR activities.

Meetings & Attendance

During the financial year ended on March 31, 2020, the Committee met 3 (Three) times on May 7, 2019, January 29, 2020 and March 20, 2020.

Name of Member	Designation	No. of Meeting	
		Held	Attended
Mr. Nikhil Nanda	Chairman	3	3
Mr. Hardeep Singh	Member	3	3
Mrs. Vibha Paul Rishi	Member	3	3
Mr. G.B. Mathur*	Member	1	0
Mr. P.H. Ravikumar**	Member	1	1

*Ceased to be Member of the Committee w.e.f. December 31, 2019. One committee meeting held during his tenure as Member during the year.

** Appointed as Member of the Committee w.e.f. January 29, 2020. Further, only one committee meeting was held after appointment of Mr. Ravikumar as Member of the Committee.

X. Functional Committee

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

Procedure of Committee Meetings

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

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

XI. General Body Meetings

The particulars of last three Annual General Meeting(s) held by the Company are as under:

Financial Year/ Financial Period	Date	Time	Venue	No. of Special Resolutions Passed at AGM
2018-19	July 27, 2019	10:00 A.M	Radisson Blu Faridabad, Sector – 20B, Mathura Road, Faridabad - 121 001, Haryana	Two*
2017-18	September 12, 2018	10:00 A.M	Radisson Blu Faridabad, Sector – 20B, Mathura Road, Faridabad - 121 001, Haryana	One
2016-17	September 21, 2017	11:00 A.M	Aravali Golf Club, N.H. 3, N.I.T. Faridabad -121001, Haryana	Three

*Three resolution were proposed for approval of shareholders of the Company, however, one resolution was not passed with requisite majority.

XII. Special Resolution passed through Postal Ballot

No special resolution was passed during the year through Postal Ballot. However, the Company has sought the approval of shareholders through postal ballot for the following ordinary resolution(s).

S. No.	Postal Ballot Notice	Particulars of Resolution(s)	Details of Voting	
			Votes casted in favour	Votes casted against
1	November 2,	Re-appointment of Ms. Nitasha Nanda as a Whole-time Director (Ordinary Resolution)	99.64	0.36
2	2019	Fixing of Remuneration of Ms. Nitasha Nanda as a Whole-time Director (Ordinary Resolution)	99.99	0.01

Mr. Jayant Gupta was appointed as Scrutinizer to conduct the Postal Ballot process.

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

XIII. Disclosures

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

All the related party transactions during the financial year ended on March 31, 2020 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

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 and adoption of the discretionary requirements as prescribed in Schedule II Part E of the Listing Regulations.

The details of mandatory requirements are mentioned in this Report. The status of adoption of the non-mandatory requirement are mentioned in Clause No. XVI.

e) Policy for determining 'Material Subsidiaries'

The Policy for determining Material Subsidiaries is available on the website of the Company <https://www.escortsgroup.com/investors/governance.html> under Investor Information Section.

f) Policy on dealing with Related Party Transactions

The Policy on dealing with Related Party Transactions is available on the website of the Company www.escortsgroup.com under Investor Information Section.

- g) The Company has complied with all the compliances given under Regulation 17 to 27 and Regulation 46(2)(b) to 46(2)(i) of the Listing Regulations.
- h) Disclosure with respect to Demat Suspense Account/Unclaimed Suspense Account: The details of shares already transferred into IEPF Account are provided on the website of the Company at www.escortsgroup.com.
- i) Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

S No.	Particulars	No.
a.	Number of complaints filed during the financial year	2
b.	Number of complaints disposed of during the financial year	2
c.	Number of complaints pending as on end of the financial year	NIL

- j) The details of credit rating are provided elsewhere in this Annual Report.
- k) The details of payment made to Statutory Auditors are provided at note 34 of the notes to accounts of standalone financial statement. No other amount is paid during the year by the Company and its subsidiaries, on a consolidated basis, to the statutory auditors and all entities in the network firm/ network entity of which the statutory auditor is a part.

Subsidiary Companies

Regulation 16 of the Listing Regulations "Material Subsidiary" shall mean a subsidiary, whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

Escorts Limited has 6 direct subsidiaries, 3 of them is registered outside India and 3 are in India, whose turnover does not exceed the limit prescribed under the Listing Regulations. Thus, these subsidiaries are out of the scope of the above definition.

Further pursuant to IND AS applicability, the Company has few more subsidiaries, details have been given elsewhere in the Annual Report and forms an integral part of this Report.

Since, the Company does not have any material subsidiary, it is not required to nominate an Independent Director of the Company on their Board.

Appropriate details of these subsidiaries has been given elsewhere in the Annual Report and forms an integral part of this report.

XIV. Means of Communication

Key Financial Reporting dates during the year ended on March 31, 2020

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

For Year ended 31.03.19: Economic Times (English), Mint (English), Financial Express (English) and Rashtriya Sahara (Hindi).

For Quarter ended 30.06.19: Economic Times (English), Mint (English), Financial Express (English) and Rashtriya Sahara (Hindi).

For Quarter ended 30.09.19: Economic Times (English), Mint (English), Financial Express (English) and Rashtriya Sahara (Hindi).

For Quarter ended 31.12.19: Economic Times (English), Mint (English), Financial Express (English) and Rashtriya Sahara (Hindi).

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

The website also displays official news releases.

News Releases, Presentation

Official news releases, detailed presentations made to media, analysts, institutional investors etc. are displayed on the Company's website i.e. www.escortsgroup.com.

Management Discussion and Analysis

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

XV. General Shareholder Information

Company Registration Details

The Company is registered in the State of Haryana, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L74899HR1944PLC039088.

Annual General Meeting (AGM)

Day & date: Monday, August 24, 2020

Time : 10:00 a.m.

Venue: AGM through Video Conferencing/ Other Audio Visual Means. Deemed Venue will be registered office of the Company

Financial Year:

April 1 to March 31

Appointment/ Re-appointment of Directors

In accordance with the provisions of the Act and Articles of Association of the Company, Mr. Hardeep Singh, Director retires by rotation at the ensuing Annual General Meeting of your Company and being eligible, offer themselves for re-appointment.

The Board of Directors of the Company had also sought approval of the members of the Company at the ensuing AGM for appointment/ re-appointment of Directors. The details are provided in the Directors Report.

The brief resume(s) and other details relating to the Director who is proposed to be appointed/ re-appointed, as required to be disclosed under the Listing Regulations is provided as Annexure to the AGM Notice.

Financial Calendar 2020-21 (Tentative)

Meetings of Board/ Committee thereof to take on record:

Particulars	Tentative Date
Financial results for Quarter ended 30.06.2020	14.08.2020
Financial results for Quarter ended 30.09.2020	14.11.2020
Financial results for Quarter ended 31.12.2020	14.02.2021
Financial results for Quarter/ Year ended 31.03.2021	30.05.2021

Annual General Meeting for the Financial Year ending March, 2020:

By September 30, 2020.

Cut off Date for e-voting

August 17, 2020 has been fixed as the cut off date to record entitlement of the shareholder to cast their vote electronically in the forthcoming AGM.

Book Closure

The members register will be closed from August 15, 2020 to August 24, 2020 (both days inclusive) for

Dividend Payment History for Ten Years

Year	Rate	Date of Payment
2009-10	15%	March 10, 2011
2010-11	15%	March 27, 2012
2011-12	12%	March 30, 2013
2012-13	12% (Interim)	October 21, 2013
2013-14	6% (Final)	September 29, 2014
2014-15	12%	September 28, 2015
2015-16	12%	September 29, 2016
2016-17	15%	September 29, 2017
2017-18	20%	September 24, 2018
2018-19	25%	August 5, 2019
2019-20	25% (Proposed)	To be paid within 30 days from the date of declaration of Dividend*

* subject to normalisation of postal services in case bank account details of shareholders not available with Company/ RTA

the purpose of payment of Dividend for the financial year 2019-20.

Dividend

1. The Board of Directors of the Company have decided to recommend dividend @ ₹ 2.50 per share (being 25% of the nominal value of ₹ 10 per share) for the financial year 2019-20 (except on shares held by Escorts Benefit and Welfare Trust), subject to the approval of the shareholders in the forthcoming AGM.
2. The dividend, if declared at the AGM, would be paid/ dispatched within 30 days from the date of declaration at the ensuing AGM to those persons or their mandates:-
 - a) whose names appear as beneficial owners as at the end of the business hours on August 14, 2020 in the list of beneficial owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic mode and;
 - b) whose names appear as Members in the Register of Members of the Company after giving effect to valid share transmission/ transposition in physical form lodged with the Company on or before August 14, 2020.
3. The dividend amount shall be credited in the shareholders bank account directly through NECS. Alternatively, physical warrant/ Demand Draft shall be posted to the shareholders at their registered address available with the Depository/ Company.

The intimation for credit of dividend amount through NECS shall also be sent to the shareholders through E-mail/ ordinary post thereafter.

Listing

Equity Shares of Escorts Limited are listed with following Stock Exchanges:

Listing	Stock Code
National Stock Exchange of India Ltd. Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra East, Mumbai – 400 051	ESCORTS
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	500495
Delhi Stock Exchange Limited DSE House, 3/1, Asaf Ali Road, New Delhi – 110 002	00012

Listing Fees

The Company is upto date on the payment of its Annual Listing Fees.

Monthly Stock Market Data

Month	Escorts Limited Share Price (BSE)		Sensex	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2019	805.75	720.90	39,487.45	38,460.25
May, 2019	715.20	542.50	40,124.96	36,956.10
June, 2019	612.75	519.00	40,312.07	38,870.96
July, 2019	581.65	453.75	40,032.41	37,128.26
August, 2019	521.30	423.30	37,807.55	36,102.35
September, 2019	653.10	450.10	39,441.12	35,987.80
October, 2019	673.55	567.00	40,392.22	37,415.83
November, 2019	687.90	631.00	41,163.79	40,014.23
December, 2019	666.40	585.85	41,809.96	40,135.37
January, 2020	835.55	601.20	42,273.87	40,476.55
February, 2020	914.40	764.85	41,709.30	38,219.97
March, 2020	874.45	527.10	39,083.17	25,638.90

Month	Escorts Limited Share Price (NSE)		Nifty 50	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2019	804.70	720.00	11856.15	11549.10
May, 2019	714.00	542.00	12041.15	11108.30
June, 2019	612.20	519.30	12103.05	11625.10
July, 2019	581.95	453.10	11981.75	10999.40
August, 2019	521.65	423.55	11181.45	10637.15
September, 2019	681.00	450.50	11694.85	10670.25
October, 2019	674.60	567.00	11945.00	11090.15
November, 2019	687.80	631.00	12158.80	11802.65
December, 2019	666.40	585.50	12293.90	11832.30
January, 2020	835.50	601.30	12430.50	11929.60
February, 2020	914.70	764.75	12246.70	11175.05
March, 2020	875.00	526.05	11433.00	7511.10

Share Transfer System

Escorts Limited has appointed Kfin Technologies Private Limited (earlier Karvy Fintech Private Limited) ("Kfin") as its Registrar and Share Transfer Agent (RTA). The share transfer work in both physical as well as electronic mode has been carried on by Kfin. The authority relating to share transfer has been delegated to RTA. The Share Transfer Committee of the Board of Directors take note of the Transfer, Transmission, Remat, Split & Consolidation of share certificates etc. periodically.

The RTA ensures the approval of share transfer/ transmission/ splitting and consolidation of valid request within a period of 15 days from their receipt and also processing of valid Demat request within a week.

Investors Relation Center

Escorts Limited	Escorts Limited	Kfin Technologies Private Limited (earlier Karvy Fintech Private Limited)
Escorts Corporate Centre, 15/5, Mathura Road, Faridabad – 121 003 Telephone No.: (0129) 2564921 Fax No.: (0129) 2250060 Email: investorrelation@escorts.co.in	Times Square A Wing, Unit No. 1, 3rd Floor, Andheri – Kurla Road, Andheri (East), Mumbai – 400 059 Telephone No.: (022) 67868607 Fax No.: (022) 67868687	Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 Tel.: No. 040-67162222 Fax: No. 040-23420814 Email: einward.ris@kfintech.com

Investors Communication

All enquiries relating to transfer, transmission, transposition, demat, remat, split, consolidation, nomination, change of address and payment of dividend can be addressed to RTA i.e. Kfin Technologies Private Limited (earlier Karvy Fintech Private Limited) or e-mail at einward.ris@kfintech.com or sent by post at Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032.

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 i.e. Kfin Technologies Private Limited (earlier Karvy Fintech Private Limited) or e-mail at einward.ris@kfintech.com or sent by post at Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032.

Shareholding Pattern as on March 31, 2020

Category of Shareholders	No. of Shareholders	No. of shares held	% to the Capital
1. Promoters and Promoter Group	17	49333680	40.25
2. Foreign Institutional Investors	198	23636796	19.28
3. Domestic Institutional Investors, Banks & Mutual Funds	51	12198311	9.95
4. Public & Others	111943	37408091	30.52
Total	112209	122576878	100.00

Distribution of Shareholding as on March 31, 2020

Range of holding	Number of Shareholders	% of Total
1 to 5000	106998	95.36
5001 to 10,000	2808	2.50
10,001 to 20,000	1183	1.05
20,001 to 30,000	410	0.37
30,001 to 40,000	165	0.15
40,001 to 50,000	133	0.12
50,001 to 1,00,000	191	0.17
1,00,001 to above	321	0.29
Total	112209	100.00

Dematerialisation

As on March 31, 2020 dematerialised shares accounted for 99.02% (98.89% up to March 31, 2019) of the total equity shares. Trading in Equity Shares of the Company is permitted only in dematerialised form as per the notification issued by the Securities and Exchange Board of India.

S Dematerialisation of shares as on March 31, 2020			
no.	Mode of holding	No. of shares	%
1.	NSDL	114332815	93.27
2.	CDSL	7044350	5.75
3.	Physical	1199713	0.98
Total		122576878	100.00

Shares Liquidity

The trading volumes at major Stock Exchanges, during the financial year ended on March 31, 2020 are as follows:

Month	National Stock Exchange of India Limited		BSE Limited	
	No. of Shares	Value (₹ in crores)	No. of Shares	Value (₹ in lakhs)
April, 2019	24716716	1900.94	1326071	102.07
May, 2019	50531642	3097.22	3135013	191.22
June, 2019	36778118	2070.46	2357830	132.39
July, 2019	59189714	3089.88	3737599	195.41
August, 2019	52182406	2469.45	3693587	175.08
September, 2019	91676653	4931.65	5637149	304.65
October, 2019	62109443	3863.74	3519932	218.46
November, 2019	36825842	2423.49	1705801	112.12
December, 2019	43760429	2717.49	1975959	122.70
January, 2020	72732769	5216.50	3175965	228.25
February, 2020	69235533	5887.78	2955825	251.85
March, 2020	68393167	4827.52	3453884	240.21
Total	668132432	42496.11	36674615	2274.41

Outstanding GDRs/ ADRs/ Warrants/ Stock Options etc.

There are no outstanding GDRs/ ADRs/ Warrants for conversion into equity shares except 9,66,775 stock options granted to the employees. Each stock option, upon exercise of the same, would be converted into one equity share of ₹ 10/- each fully paid-up. These options vest in four tranches after one year from date of grant as mentioned in the Letter of Grant and can be exercised during a period of three years or such extended period as the ESOP & Compensation Committee may decide. The options unexercised during the exercise period would be lapsed.

There are no other convertible instruments outstanding, which could increase the paid up equity capital of the Company. The equity paid up capital of the Company may increase in financial year 2020-21 subject to allotment of equity shares on preferential basis for which the approval of shareholders obtained vide Postal Ballot.

Plant locations

The Company has its manufacturing plants at the following locations:

1. Plot No. 18/4, Mathura Road, Faridabad - 121 007, Haryana
2. Plot No. 15/5, Mathura Road, Faridabad - 121 003, Haryana
3. Plot No. 2, Sector 13, Faridabad - 121 007, Haryana
4. Plot No. 3, Sector 13, Faridabad - 121 007, Haryana
5. Plot No. 114-115, Sector 24, Faridabad - 121 005, Haryana
6. Plot No. 219, Sector – 58, Ballabhgarh, Faridabad – 121 004, Haryana
7. Plot No. 9, Sector 1, Integrated Industrial Estate, Pant Nagar, Rudrapur – 263 145, Uttarakhand

The Company has its training centre at Ramakrishnapura, Chandapura - Anekal Road, Chandapura, Post Bangalore - 560 099, Karnataka.

Address for Correspondence

ESCORTS LIMITED

Registered Office

Corporate Secretarial & Law

15/5, Mathura Road, Faridabad – 121 003, Haryana

Tel.: 0129 – 2250222, Extension: 4117/ 4254

Fax: 0129 – 2250060

E-mail: corpsl@escorts.co.in

Website: www.escortsgroup.com

Registrar and Transfer Agents
KFIN TECHNOLOGIES PRIVATE LIMITED
(earlier Karvy Fintech Private Limited)
Selenium Tower B, Plot No. 31-32, Gachibowli,
Financial District, Nanakramguda, Hyderabad – 500 032
Tel.: 040 67162222 | Fax: 040 23420814
einward.ris@kfintech.com | www.kfintech.com

Credit Rating

During the year, the credit rating of the Company is as under:

ICRA limited has reaffirmed the long-term rating from “ICRA AA-” & watch with developing implication and short-term rating reaffirmed “ICRA A1+”.

CRISIL has reaffirmed long term rating “CRISIL AA-”/ Stable and Short-Term rating “CRISIL A1+”.

XVI. Non-Mandatory Requirements

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

S No.	Non Mandatory Provisions	Status
1.	Maintenance of Non-Executive Chairman's Office	Not applicable as Chairman is Executive and also the Managing Director of the Company.
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 statements.	Adopted
4.	Separate Posts of Chairman and CEO	Not applicable as Chairman and Managing Director is one.
5.	Reporting of Internal Auditor	The Internal Auditors reports to the Audit Committee from time to time.

For and on behalf of the Board of Directors

Place: Faridabad
Date: May 14, 2020

Sd/-
Nikhil Nanda
Chairman & Managing Director

CEO/ CFO Certification

The Chairman and Managing Director and the Group Chief Financial Officer of the Company give annual certification to the Board on financial reporting and internal controls in terms of Regulation 17 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 pertaining to CEO and CFO certification for the financial year ended on March 31, 2020.

To,
The Board of Directors
Escorts Limited

Dear Sir,

We, Nikhil Nanda, Chairman and Managing Director and Bharat Madan, Group Chief Financial Officer & Corporate Head certify to the Board of Directors that:

- a) We have reviewed financial statements and the cash flow statement of Escorts Limited for the financial year ended March 31, 2020 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 of 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
Date: May 14, 2020

Sd/-
Bharat Madan
Group Chief Financial Officer &
Corporate Head

Sd/-
Nikhil Nanda
Chairman and Managing Director

Certificate on Corporate Governance Requirements Under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Members
Escorts Limited
15/5, Mathura Road,
Faridabad – 121003, Haryana

1. This report contains details of compliance of conditions of corporate governance by Escorts Limited ('the Company') for the year ended March 31, 2020, as stipulated in Regulations 17 to 27, clause (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, as amended from time to time ('Listing Regulations') pursuant to the Listing Agreement of the Company with the BSE Limited and the National Stock Exchange of India Limited (collectively referred to as the 'Stock Exchanges').

Management's Responsibility for compliance with the conditions of Listing Regulations

2. The compliance with the terms and conditions contained in the Corporate Governance, including the preparation and maintenance of all relevant supporting records and documents, is the responsibility of the management of the Company.

Practising Company Secretary's Responsibility

3. The examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. Pursuant to the requirements of the Listing Regulations, it is my responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations for the year ended March 31, 2020.

Opinion

5. In my opinion, and to the best of my information and according to explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations.
6. I state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on use

7. The certificate is addressed and provided to the Members of the Company solely for the purpose to enable the Company to comply with the requirements of the Listing Regulations, and the same shall not be used by any other person or for any other purpose. Accordingly, I do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without my prior consent in writing.

For Jayant Gupta and Associates

Jayant Gupta

Practicing Company Secretary

FCS : 7288

CP:9738

PR: 759/2020

UDIN: F007288B000482202

Place : Ghaziabad, Uttar Pradesh

Date: July 21, 2020