



F.R.N. 022743N

KAPISH JAIN & ASSOCIATES

CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To
The Trustee
Escorts Benefit Trust
15/5, Mathura Road, Faridabad

Report on the Financial Statements

We have audited the accompanying financial Statements of **Escorts Benefit Trust** (the 'Trust') which comprises the Balance Sheet as at 31st March 2018 and the Income & Expenditure account for the year then ended and a summary of significant accounting policies and other explanatory information on that date annexed thereto.

Management's Responsibility for the Financial Statements

The Trust Management is responsible for the preparation of these financial statements that give a true and fair view of financial position, financial performance of the Trust in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have 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 the ethical requirements 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 evidences about the amounts and their disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Trust preparation and fair presentation of the financial statement 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 account estimates made by management, as well as evaluating the overall financial 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.



Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Financial Statements give the information 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 Trust as at 31st March 2018, and,
- ii. In the case of the Income & Expenditure account, of the excess of expenditure over income of the Trust for the year ended on that date.

Report on Other Legal and Regulatory Requirements

Further, 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;
- b) In our opinion, proper books of account, as required by law have been kept by the Trust so far, as appears from our examination of such books;
- c) The Balance sheet and Income & Expenditure account dealt with by this Report are in agreement with the books of account;

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


CA Kapish Jain
Partner
M.No. 514162



Dated: May 11, 2018
Place: Faridabad

ESCORTS BENEFIT TRUST
Balance Sheet as at March 31, 2018

(Amount in Rs.)

LIABILITIES	As at		ASSETS	As at	
	March 31, 2018	March 31, 2017		March 31, 2018	March 31, 2017
RESERVE FUND			INVESTMENTS		
Balance as per last Balance Sheet	11,53,31,014	26,05,205	Quoted Investment (At Cost)		
Add: Excess of Income Over Expenditure as per Income & Expenditure Account	(15,134)	27,83,25,809	- In Equity Shares	-	-
	11,53,15,881	28,09,31,014	- In Mutual Funds		
Less: Amount paid to Hardship Committee for payment to FD holders of Escorts Finance Ltd.	30,00,000	1,56,00,000	Aditya Biral Sun Life M Term Plan Growth	4,00,00,000	-
	11,23,15,881	26,53,31,014	Aditya Biral Sun Life Corp Bond Fund Growth	3,50,00,000	-
Less: Amount transferred to Escorts Limited being beneficiary owner of Trust (Refer Note 6)	-	15,00,00,000	HDFC Corp Debt Opportunities Fund Growth	3,70,00,000	-
	11,23,15,881	11,53,31,014	CASH & BANK BALANCE		
CURRENT LIABILITIES & PROVISIONS			Balance with Scheduled Bank (State Bank of India) in Current Account	3,30,041	8,91,94,778
Audit Fee Payable	14,160	80,500	CURRENT ASSETS		
			Amount recoverable from Depository	-	2,62,16,736
	11,23,30,041	11,54,11,514		11,23,30,041	11,54,11,514

Significant Accounting Policies and Notes to Accounts are the integral part of Financial Statements.

As per our report of even date attached.
For **KAPISH JAIN & ASSOCIATES**,
Chartered Accountants
Firm Regn. No. 022743N

Kapish Jain

CA Kapish Jain
Partner
Membership No. 514162



Date : May 11, 2018
Place : Faridabad

For and on behalf of the Escorts Benefit Trust

Rajan Nanda
Rajan Nanda
Trustee

CA Mathur
CA Mathur
Trustee

Nikhil Nanda
Nikhil Nanda
Trustee

ESCORTS BENEFIT TRUST
Income & Expenditure Account for the year ended March 31, 2018

(Amount in Rs.)

EXPENDITURE	Year ended March 31, 2018	Year ended March 31, 2017	INCOME	Year ended March 31, 2018	Year ended March 31, 2017
Audit Fee	14,160	12,706	Contribution to Trust Fund	-	-
Bank Charges	974	867	Dividend Income	-	8,30,460
Brokerage	-	24,16,238	(Rs NIL per share(Previous Year: 1.20/-) on shareholding of Escorts Limited) (*)		
Depository Charges including transaction charges	-	43,27,828	Sales proceed of shares	-	28,42,52,988
Excess of Income over Expenditure transferred to Reserve Fund	(15,134)	27,83,25,809			
	-	28,50,83,448		-	28,50,83,448

(*) The Trust holds NIL equity shares (previous year 6,92,050 equity shares) of Escorts Limited as on record date for payment of dividend.

Significant Accounting Policies and Notes to Accounts are the integral part of Financial Statements.

As per our report of even date attached.
For KAPISH JAIN & ASSOCIATES,
Chartered Accountants
Firm Regn. No. 022743N

For and on behalf of the Escorts Benefit Trust


CA Kapish Jain
Partner
Membership No. 514162



Date : May 11, 2018
Place : Faridabad


Rajan Nanda
Trustee


Nikhil Nanda
Trustee


G B Mathur
Trustee

ESCORTS BENEFIT TRUST

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

(a) Trust Information

Escorts Benefit Trust (the 'Trust') is a trust created on December 01, 2010 having its registered office 15/5, Mathura Road, Faridabad. This trust has been created pursuant to the order of the Hon'ble High Court of Delhi vide order dated May 24, 2010 to pay to unpaid fixed deposit holder(s) of Escorts Finance Limited (EFL). Further, pursuant to the order of Hon'ble High Court, Delhi vide order dated March 04, 2011; 24,01,050 equity shares of Escorts Limited transferred to the Trust under the scheme of Arrangement and Compromise u/s 391 and 394 of the Companies Act, 1956 for making payment to the unpaid fixed deposit holder(s) of EFL to the extent of its maturity value.

(b) Basis of Preparation

The Financial Statements are prepared under the historical cost convention on accrual basis and in accordance with the generally accepted accounting principles and the applicable Accounting Standards issued by the Institute of Chartered Accountants of India.

(c) Use of Estimates

The preparation of financial statements is in conformity with the generally accepted accounting principles which require the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities on the date of financial statements. Actual results if they differ from those estimates are recognized in the current and future accounting periods.

(d) Revenue Recognition

Contribution to Trust Fund is recognized as income on receipt basis. Dividend income on investment is accounted for when the right to receive the dividend is established. Sales proceed from shares is recognized on accrual basis.

(e) Investments

All investments are stated at cost. Provision for diminution, if any, in the value of investments, other than temporary, is made in the books of accounts.

(f) Employee Benefits

The provisions of the Payment of Gratuity Act, 1972, the Employee State Insurance Act, 1948 and Employees Provident Fund and Miscellaneous Provision Act, 1952 are not applicable since there is no employee on roll of the Trust.

(g) The figures have been rounded off to the nearest rupee.



ESCORTS BENEFIT TRUST

B. NOTES ON ACCOUNTS

- (1) The shares of Escorts Limited, which have been transferred to Trust, are without consideration as per order of the Court, hence cost of investment is Zero and no value has been shown in the Balance Sheet of the Trust. The shares held by the Trustee on behalf of the Trust are listed with Stock Exchange i.e. NSE, BSE and DSE.
- (2) The shares are held with depository account in the name of the Trustees named Mr. Rajan Nanda, Mr. Nikhil Nanda and Mr. G B Mathur.
- (3) As per the order of the Hon'ble High Court, Delhi vide order dated May 24, 2010, the Trust was bound to pay to unpaid fixed deposit holder(s) for the period of two years from the date of Order. The trustees has decided to make the payment continuously to unpaid fixed deposit holder(s) beyond the period specified in the order. Accordingly, the Trust is making payment to the unpaid fixed deposit holder(s) till now through the bank of account of Hardship Committee.
- (4) After the lapse of one year (as mentioned in trust deed), Escorts Limited shall be the sole beneficiary of the Trust as per clause 1(d)(ii) of trust deed. Therefore, in last year, the trustees had decided in their meeting held on March 30, 2017 to pay the surplus amount of Rs.15 crores to Escorts Limited (being sole beneficiary) on non-refundable basis, after retaining the equivalent amount of unpaid fixed deposit(s) liability outstanding as on March 30, 2017. During the year, the Trust had funds lying with its current account and the trustee had decided to investment the amount in mutual funds. Accordingly, an amount of Rs. 11,20,00,000/- has invested in mutual funds.
- (5) Market value of Investment is Rs. 11,54,22,817.77/- (Previous year: Rs. NIL) as on Balance Sheet date.
- (6) The Trust has made the payment to unpaid Fixed deposit holder(s) of Escorts Finance Limited through the bank of account of Hardship Committee. Therefore, the Trust has transferred an amount of Rs. 30,00,000/- (Previous year: Rs. 1,56,00,000/-) to Hardship Committee during the year and has reduced its Reserve Funds to that extent.
- (7) Figures for the previous year have been regrouped/reclassified/reinstated, wherever considered necessary.

For Kapish Jain & Associates
Chartered Accountants
Firm Reg. No. 022743N

CA Kapish Jain
Partner
M.No. 514162

Date: May 11, 2018
Place: Faridabad



For and on behalf of Escorts Benefit Trust

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Trustee

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