

Auditor's Responsibilities for the Audit of the Financials Statements

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

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

KAPISH
JAIN

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CA Kapish Jain
Partner
M.No. 514162
UDIN 20514162AAAAEZ8367

Dated: 12 May 2020
Place: New Delhi

ESCORTS BENEFIT TRUST
Income & Expenditu

EXPENDITURE			INCOME	(Amount in Rs.)	
	As at March 31, 2020	As at March 31, 2019		As at March 31, 2020	As at March 31, 2019
Audit Fee	14,160	14,160	Profit on sale of Mutual Funds	326,673	110,381
Out of pocket Expenses	1,000	-			
Bank Charges	1,339	826			
Income Tax for earlier year	37,890	-			
Income tax for current year	108,080				
Excess of Income over Expenditure transferred to Reserve Fund	164,204	95395			
	326,673	110,381		326,673	110,381

For and on behalf of the Escorts Benefit Trust

As per our report of even date attached
For KAPISH JAIN AND ASSOCIATES
Chartered Accountants
Firm Regn no. 022743N

CA Kapish Jain
Partner
Membership No. 514162

Date : 12 May 2020
Place : New Delhi

Bharat Madan
Trustee

Date : 12 May 2020
Place : New Delhi

Satyendra Chauhan
Trustee

Date : 12 May 2020
Place : Faridabad

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.

**KAPISH
JAIN**

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ESCORTS BENEFIT TRUST

B. NOTES ON ACCOUNTS

- (1) The shares of Escorts Limited, which had been transferred to Trust, are without consideration as per order of the Court, hence cost of investment is Zero. Since all the shares have been sold in the open market hence no shares are held as the date of Balance Sheet.
- (2) 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 had 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.
- (3) As per clause 1(d)(ii) of trust deed, Escorts Limited shall be the sole beneficiary of the Trust after the lapse of one year from the date of formation.
- (4) Market value of Investment (mutual funds) is Rs. 12,39,65,901/- (Previous year: Rs. 11,92,88,000/-) as on Balance Sheet date.
- (5) 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. 25,00,000/- (Previous year: Rs. 17,00,000/-) to Hardship Committee during the year and has reduced its Reserve Funds to that extent.
- (6) Figures for the previous year have been regrouped/reclassified/reinstated, wherever considered necessary.

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

**KAPISH
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CA Kapish Jain
Partner
M.No. 514162

Date: 12 May 2020
Place: New Delhi

For and on behalf of Escorts Benefit Trust

**BHARAT
MADAN**

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BHARAT MADAN
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Bharat Madan
Trustee

Date: 12 May 2020
Place: New Delhi

**SATYENDRA
CHAUHAN**

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CHAUHAN
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Satyendra Chauhan
Trustee

Date: 12 May 2020
Place: Faridabad