

INDEPENDENT AUDITOR'S REPORT**To the Trustees of Escorts Benefit and Welfare Trust****Opinion**

We have audited the financial statements of the of Escorts Benefit and Welfare Trust ('the Trust') which comprise the Balance Sheet as at 31 March 2022, the Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Trust as at 31 March 2022, and of its financial performance for the year then ended in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI).

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by ICAI. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Trustees and Those Charged with Governance for the Financial Statements

The Trustees are responsible for the preparation and fair presentation of the financial statements in accordance with the aforesaid Accounting Standards, and for such internal control as trustees determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee



that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

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

For S. N. Dhawan & Co. LLP

Chartered Accountants

(Firm Registration No. 000050N/N500045)


per Sanjay arora

Partner

M.No.:093754

UDIN: 22093754A1THTG6901

Place: New Delhi

Date: 10th May 2022



ESCORTS BENEFIT AND WELFARE TRUST
Balance Sheet as at 31 March 2022

Particulars	As at 31 March 2022 Rs	As at 31 March 2021 Rs
LIABILITIES		
General Fund		
Surplus/(deficit) in statement of Profit & Loss		
Opening balance	2,27,659	(68,143)
Add: surplus/(deficit) for the year	(54,191)	2,95,802
Closing balance	1,73,468	2,27,659
Current liabilities		
Creditors for Expenses	2,837	12,520
Escorts Limited	-	71,92,727
Audit Fees Payable	54,000	55,250
TDS Payable	5,000	3,750
Provisions		
- IncomeTax (Net)	-	1,94,000
Total	2,35,305	76,85,906
ASSETS		
Non-current assets		
Non-current investments (Refer Note-4)		
Equity instruments (Quoted)		
Escorts Limited	-	-
2,14,42,343 (Previous year 3,37,00,031) equity shares of Rs.10/- each fully paid up in consideration other than cash		
Escorts Finance Limited	-	-
2,34,97,478 (Previous year 2,34,97,478) equity shares of Rs.10/- each fully paid up in consideration other than cash		
(Aggregate Market value of Quoted Investments: Rs.36,40,75,79,369 (Previous Year 43,50,94,76,884))		
Cash and Cash Equivalents		
- Balances with bank in Current account	2,35,305	76,85,906
Total	2,35,305	76,85,906

The accompanying notes (1 to 8) are integral part of the Financial Statements

As per our report of even date attached

For S.N. Dhawan & Co. LLP

Chartered Accountants

(Firm Registration No.000050N/N500045)


per **Sanjay Arora**

Partner

M. No. : 093754

Place : New Delhi

Date : 10 May 2022




Pawan Bhalla
Trustee

Place : Faridabad


Satyendra Chauhan
Trustee

Place : Faridabad

ESCORTS BENEFIT AND WELFARE TRUST
Statement of Profit and Loss for the Year ended 31 March 2022

Particulars	For the Year ended 31 March 2022	For the Year ended 31 March 2021
Income:		
Interest on Income tax refund	-	5,80,500
Amount written back	12,520	-
Total income	12,520	5,80,500
Expenses:		
Bank charges	375	472
Auditors remuneration (including GST)	59,000	59,000
Demat Charges	2,836	31,057
Rates & Taxes	1,000	169
Total expenses	63,211	90,698
Profit/(Loss) before tax for the year	(50,691)	4,89,802
Tax Expense		
Current Tax	-	1,94,000
Provision of Income Tax for earlier years	3,500	-
Profit/(Loss) after tax for the year	(54,191)	2,95,802

The accompanying notes (1 to 8) are integral part of the Financial Statements

As per our report of even date attached

For S.N. Dhawan & Co. LLP

Chartered Accountants

(Firm Registration No.000050N/N500045)


per **Sanjay Arora**

Partner

M. No. : 093754

Place : New Delhi

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Pawan Bhalla

Trustee

Place : Faridabad


Satyendra Chauhan

Trustee

Place : Faridabad

ESCORTS BENEFIT AND WELFARE TRUST

Notes to the Financial Statements

1 Trust Overview

Escorts Benefit and Welfare Trust was incorporated in India on February 14, 2012 under of the Indian Trusts Act, 1882. Trust is managed by Trustees.

2 Basis of preparation of Financial Statements :

The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis.

3.1 Summary of significant accounting policies

A. Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgements, estimates and assumptions that effect the reported amount of revenues, expenses, assets and liabilities and the disclosure of the contingent liabilities, at the end of the reporting period. Although, these estimates are based on the management's best knowledge of current events and actions actual results could differ from these estimates. Any revision to the accounting estimates is recognised in the period in which the results are known.

B. Revenue Recognition :

Revenue is recognised based on nature of activity when consideration can be reasonably measured and recovered with reasonable certainty.

Dividend income which is taken on accrual basis if declared/ received by the time of finalisation of account. Interest income, if any, is recognised on the time proportion basis.

C. Investments

Investments intended to be held for less than one year are classified as current investments and carried at lower of cost or market value. All other investments are classified as long-term investment and are carried at cost. A provision for diminution is made to recognise a decline other than temporary in the value of long term investments.

4. Pursuant to the scheme of arrangement and amalgamation of Escorts Construction Equipment Limited, Escotrac Finance and Investment Private Limited, Escorts Finance Investments and Leasing Private Limited with the Escorts Limited (the Company) (the Scheme) and its approval by the Hon'ble Punjab and Haryana High Courts vide their order dated August 9, 2012 and September 5, 2012, respectively, 3,73,00,031 equity shares of Escorts Limited and 2,34,97,479 equity shares if Escorts Finance Limited were issued/vested with Escorts Benefit & Welfare Trust (EBWT) for the sole benefit of Escorts Limited and its successors in interest. Subsequently, during the financial year 2017-18, EBWT sold 36,00,000 equity shares of Escorts Limited.

Further, during the current year, Escorts Limited, pursuant to the Scheme for Reduction of Share Capital between Escorts Limited (the Company) and its Shareholders Under Section 66 Read With Section 52 and other Applicable Sections of The Companies Act, 2013 and National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2016 and its approval by the Hon'ble NCLT, Chandigarh, vide its order dated December 23, 2021, has cancelled 1,22,57,688 equity shares of Escorts Limited, held by EBWT.

Consequent to the above, EBWT holds 2,14,42,343 equity shares of Escorts Limited and 2,34,97,478 equity shares of Escorts Finance Limited.

- 5 Pursuant to the resolution dated 13th May 2020, the Board of the Directors of Escorts Limited (the sole beneficiary of the Trust), Trustees have communicated their acceptance to waive/forgo their right to receive the dividend, if any, for the financial year ended 31st March 2020 and subsequent years on the equity shares of Escorts Limited held by Trust. This has been done to avoid the payment of Dividend by Escorts Limited on its own shares held through the Trust as sole beneficiary.

6 Contingent Liabilities

Claims not acknowledged as debts-

Income tax matters:

Particulars	Amount (Rs)
1. Income tax demand in respect of assessment year 2016-17 decided in favour of the Trust by ITAT. The department has disputed the said order and preferred an appeal at Punjab & Haryana High Court	2,03,33,912
2. Demand raised by the Income tax department in relation to assessment year 2017-18, disputed by the Trust and pending in appeal	2,46,53,450
Total	4,49,87,362



ESCORTS BENEFIT AND WELFARE TRUST
Notes to the Financial Statements

- 7 The investments in shares of Escorts Limited & Escorts Finance Limited are held with Depository Account in the names of the Trustees and are listed with NSE, BSE and DSE Stock exchanges and Escorts Finance Limited shares are listed with BSE only.
- 8 Previous year figures have been regrouped wherever necessary

As per our report of even date attached
For S.N. Dhawan & Co. LLP
Chartered Accountants
(Firm Registration No.000050N/N500045)


per **Sanjay Arora**
Partner
M. No. : 093754
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