KAPISH JAIN & ASSOCIATES
CHARTERED ACCOUNTANTS
F.R.N. 022743N
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INDEPENDENT AUDITOR'S REPORT

To the Members of **Escorts Finance Limited**
Report on the Audit of the Standalone Financial Statements

Qualified Opinion

We have audited the accompanying standalone financial statements of **Escorts Finance Limited ("*the Company*")** which comprises the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, **except for the effects of the matter described in the Basis for Qualified Opinion section of our report,** the aforesaid standalone financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021 and loss, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

As detailed disclosure in Note 34 to the standalone financial statements, the remaining liability towards unclaimed fixed deposits and interest thereon is Rs. 1060.18 lacs as on 31 March 2021 (Rs. 1069.84 lacs as on 31 March 2020) and the same is pending for deposit in Investor Education & Protection Fund.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with accounting principles generally accepted in India, including Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company'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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of Standalone Ind AS Financial Statement

Our objectives are to obtain reasonable assurance about whether the Standalone 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 standalone 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 standalone 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. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to Financial Statements in place and the operating effectiveness of such controls.

- 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 Company'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 standalone 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 Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Emphasis of Matters

(a) the Company had accumulated losses at the close of the financial year with its net worth continuing to stand fully eroded and, however, the financial statements have been prepared on a going concern basis for reasons explained by the management, including the possibilities of considering various options to undertake suitable business(s) and exploring the options of revival or restructuring of the Company. We have relied on the representation made to us by the management.

(b) the Company is no longer registered with Reserve Bank of India (RBI) as Non-Banking Financial Institution (NBFI) after cancellation of it's earlier registration vide RBI letter no DNBS(NDI) S.3242/MSA/06.05.001/2015-16 dated 6th May 2016. Accordingly, the related provisions pertaining to NBFI are currently not applicable to the Company.

(c) the Company had issued 10% Cumulative Redeemable Preference Shares of Rs. 10 each maturing on 30 March 2019. Due to liquidity crunch, the discharge the said liability before or on due date of redemption has not been done. The Company has received a No Objection Certificate from the preference share holder extending the maturity period of said Preference Shares for a further period of 20 years. Accordingly, the Company has filed a petition before National Company Law Tribunal (NCLT) on 29 March 2019 seeking issuance of 1% Cumulative Redeemable Preference Shares in place of said Preference Shares with new terms and conditions. This aforesaid matter is pending for hearing before NCLT.

(d) Since the matter related to issuance of 1% Cumulative Redeemable Preference Shares in place of existing 10% Cumulative Redeemable Preference Shares is pending before NCLT, therefore, the Company has not made any provision for interest payable on the borrowed amount.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **"Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of change in equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

   (d) ***Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above,*** in our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

   (e) The matter described in sub-paragraph (a) under the Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.

   (f) On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

   (g) With respect to the adequacy of the Internal Financial Control with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**.

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

   In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/payable by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

   (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 23(c) to the Standalone financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. The Company has not deposited amount of Rs. 1060.18 lacs to the Investor Education and Protection Fund against unpaid fixed deposit liabilities including interest thereon as referred to in Note 34 to the Standalone financial statements.

For **Kapish Jain & Associates**
Chartered Accountants
Firm Registration Number 022743N

Kapish Jain

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pseudonym=38bd0bd4022e0c30664c6762384d7d894f422cbf911e
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CA Kapish Jain
Partner
Membership No. 514162
UDIN 21514162AAAAFM6221

Place: New Delhi
Date: 10 May 2021

ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in Paragraph 1 under "Report on Other Legal and Regulatory Requirements" section of the Independent Auditor's Report of even date to the members of Escorts Finance Limited on the standalone financial statements as of and for the year ended 31 March 2021)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(b) The Property, Plant and Equipment have been physically verified by the management during the year and according to the information and explanation given to us, no material discrepancies were noticed on such verification between books records and the physical inventories. In our opinion, the frequency of physical verification of Property, Plant and equipment is reasonable having regard to the size of the Company and the nature of its assets.

(c) According to the information and explanations given to us and the records examined by us, the Company does not own/hold any immovable property. Accordingly, the provisions of clause 3(i)(c) of the Order are not applicable.

(ii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not hold any inventory during the year. Accordingly, the provisions of clause (ii) of the Order are not applicable.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Consequently, Clause (iii)(a), (iii)(b) and (iii)(c) of the Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has not dealt with any loans, guarantee, investments and security under the provision of section 185 and 186 of the Companies Act 2013. Consequently, Clause (iv) of the Order is not applicable to the Company.

(v) In respect of any deposits accepted from the public, 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 73 to 76 or any other relevant provisions of the Companies Act, 2013, the Company had not complied with the said norms in relation to repayment of deposit on their respective maturity dates. However, M/s Escorts Benefit Trust (EBT) created by Escorts Limited maintains adequate funds to repay the matured unpaid fixed deposit liability, in terms of the direction of Hon'ble Delhi High Court. During the year ended 31 March 2021, EBT has settled the claims to the extent of Rs. 9.66 lacs by repayment to respective fixed deposit holders. The remaining liability towards unclaimed fixed deposits and interest thereon is Rs. 1060.18 lacs as on 31 March 2021 (Rs. 1069.84 lacs as on 31 March 2020) and the same is pending for deposit in Investor Education & Protection Fund.

(vi) In our opinion and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company. Consequently, Clause (vi) of the Order is not applicable to the Company.

(vii) a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales-Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and any other dues, during the year, with the appropriate authorities.

No undisputed amount is payable as at 31 March 2021, for a period of more than six months from the date they became payable ***except income tax liability amounting to Rs. 9.73 lacs.***

b) According to the information and explanations given to us, the following statutory dues (details with regard to matters under litigations have been made based upon the management representation) have not been deposited with the appropriate authorities on account of any dispute:

S. No.	**Nature of Statutory Dues**	**Period to which the amount relates**	**Forum where Dispute is pending**	**Unpaid Amount (in Rs. Lacs)**
1	Value Added Tax	AY 2001-02	AC Appeal, Kolkata	2.26
		AY 1994-95	DC Appeal, Noida	0.54
		AY 1999-01	AC Appeal, Jaipur	1.52

**disclosures have been made based upon the management representation.*

(viii) In our opinion and according to the information and explanations given to us, the Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, Clause (viii) of the Order is not applicable.

(ix) In our opinion and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, Clause (ix) of the Order is not applicable.

(x) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) In our opinion and according to the information and explanations given to us, no managerial remuneration has been paid or provided by the Company. Accordingly, Clause (xi) of the Order is not applicable.

(xii) To the best of our knowledge and belief and according to the information and explanations given to us, the Company is not a Nidhi company. Consequently, Clause (xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year; consequently, the requirements of clause (xiv) of the Order are not applicable to the Company.

(xv) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, Clause (xv) of the Order is not applicable to the Company.

(xvi) To the best of our knowledge and belief and according to the information and explanations given to us, the Company was registered under section 45-IA of the Reserve Bank of India Act, 1934. The approval for cancellation of its NBFC registration was received vide letter no. DNBS(NDI)S.3242/MSA/06.05.001/2015-16 dated May 6, 2016. Accordingly, the related provisions pertaining to NBFI are currently not applicable to the Company.

For **Kapish Jain & Associates**
Chartered Accountants
Firm Registration Number 022743N

Kapish Jain

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CA Kapish Jain
Partner
Membership No. 514162
UDIN 21514162AAAAFM6221

Place: New Delhi
Date: 10 May 2021

ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in Paragraph 2 clause (g) under "Report on Other Legal and Regulatory Requirements" section of the Independent Auditor's Report of even date to the members of Escorts Finance Limited on the standalone financial statements for the year ended 31 March 2021)

Independent Auditor's Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **ESCORTS FINANCE LIMITED** ("the Company") as at 31 March 2021, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls
The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility
Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by the Institute of Chartered Accountants of India ("ICAI") and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal financial controls over financial reporting and their operating effectiveness. Our audit of Internal financial controls over financial reporting included obtaining an understanding of Internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's Internal financial controls over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of Internal Financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected, Also projections of any evaluation of the internal financial controls over financial reporting to future period are subject to the risk that Internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls systems over financial reporting and such internal financial controls systems over financial reporting were operating effectively as at 31 March 2021, based on internal financial controls systems over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of internal financial controls systems over financial reporting issued by the Institute of Chartered Accountants of India.

For **Kapish Jain & Associates**
Chartered Accountants
Firm Registration Number 022743N

Kapish Jain

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CA Kapish Jain
Partner
Membership No. 514162
UDIN 21514162AAAAFM6221

Place: New Delhi
Date: 10 May 2021

ESCORTS FINANCE LIMITED
CIN L65910CH1987PLC033652

Balance Sheet as at 31 March 2021

(All amounts in Lacs unless stated otherwise)

Particulars	Note No.	As at 31 March 2021	As at 31 March 2020
Assets			
1 Non-current assets			
a. Property, plant and equipment	3	0.11	0.11
b. Other intangible assets	4	0.09	0.09
c. Financial assets			
i. Investments	5	167.10	285.13
ii. Other financial assets	6	-	-
d. Other non-current assets	7	86.36	103.16
e. Income tax assets		63.22	62.18
Total non-current assets		**316.88**	**450.67**
2 Current assets			
a. Financial assets			
i. Investments	5	-	-
ii. Trade receivables	8	8.00	2.60
iii. Cash and cash equivalents	9	0.56	16.98
iv. Other financial assets	6	4.82	4.56
b. Other current assets	7	18.04	16.45
Total current assets		**31.42**	**40.59**
3 Assets held for sales	10	**137.09**	**-**
Total assets		**485.39**	**491.26**
Equity and liabilities			
1 Equity			
a. Equity share capital	11	4,017.25	4,017.25
b. Other equity			
i. Retained earnings	12	(21,864.40)	(21,867.14)
Total equity		**(17,847.15)**	**(17,849.89)**
2 Liabilities			
Non-current liabilities			
a. Financial liabilities			
i. Borrowings	13	-	-
ii. Other financial liabilities	14	14,801.86	14,792.21
b. Provisions	15	2.55	2.39
Total non-current liabilities		**14,804.41**	**14,794.60**
Current liabilities			
a. Financial liabilities			
i. Borrowings	13	950.00	950.00
ii. Other financial liabilities	14	2,565.31	2,581.26
b. Provisions	15	0.05	3.61
c. Current tax liabilities		9.73	9.73
d. Other current liabilities	16	3.04	1.95
Total current liabilities		**3,528.13**	**3,546.55**
Total equity and liabilities		**485.39**	**491.26**

See accompanying notes to the financial statements

In terms of our report attached
For Kapish Jain & Associates,
Chartered Accountants
Firm's Registration No. 022743N

Kapish Jain
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Date: 2021.05.10 22:31:11 +05'30'

CA Kapish Jain
Partner
Membership No. 514162

Place: New Delhi
Date: 10 May 2021

For and on behalf of the Board of Directors

RAJEEV KHANNA
Digitally signed by RAJEEV KHANNA

Rajeev Khanna
Whole Time Director
DIN: 08471497
Place : Faridabad

SUMIT RAJ

Sumit Raj
Director
DIN: 07171298
Place : Faridabad

VICKY CHAUHAN
Digitally signed by VICKY CHAUHAN
Date: 2021.05.10 18:53:56 +05'30'

Vicky Chauhan
Company Secretary
M. No.: A27729
Place : Faridabad

DONALD FERNANDEZ
Digitally signed by DONALD FERNANDEZ
Date: 2021.05.10 21:50:54 +05'30'

Donald Fernandez
Chief Financial Officer
PAN AAAPF9140N
Place : New Delhi

ESCORTS FINANCE LIMITED
CIN L65910CH1987PLC033652

Statement of profit & loss for the year ended 31 March 2021

(All amounts in Lacs unless stated otherwise)

	Particulars	**Note No.**	**For the year ended 31 March 2021**	**For the year ended 31 March 2020**
I	Revenue from operations	17	0.01	9.39
II	Other income	18	27.31	40.91
III	**Total income**		**27.32**	**50.30**
IV	**Expenses**			
	Employee benefits expense	19	14.94	16.06
	Depreciation and amortisation expense	20	-	-
	Finance cost	21	-	0.01
	Other expenses	22	13.43	20.23
	Total expenses (IV)		**28.37**	**36.30**
V	**Profit/(Loss) before tax (III-IV)**		**(1.05)**	**14.00**
VI	**Tax expense**			
	Current tax		-	-
	Deferred tax credit	37	-	-
			-	**-**
VII	**Profit/(Loss) (V-VI)**		**(1.05)**	**14.00**
VIII	**Other comprehensive income**			
	Items that will not be reclassified to profit and loss		**3.79**	**(13.80)**
	Income Tax relating to Items that will not be reclassified to profit and loss		-	-
IX	**Total comprehensive income (VII+VIII)**		**2.74**	**0.20**
X	**Earning per equity share**			
	Equity shares of face value Rs. 10 each			
	Basic	43	**(0.003)**	**0.035**
	Diluted	43	**(0.003)**	**0.035**

See accompanying notes to the financial statements

In terms of our report attached
For Kapish Jain & Associates,
Chartered Accountants
Firm's Registration No. 022743N

Kapish Jain
Digitally signed by Kapish Jain
DN: c=IN, o=Personal, title=0743, pseudonym=38bd0bd4022e0c30664c6762384d7d894f422cbf911e8e087132c66024f6d15b, 2.5.4.20=73d312a3115bdbaec0c0e51583e73d1822b41100589213a2875037e59514966f, postalCode=122006, st=Haryana, serialNumber=4abb7afdc30c6273d7820b1987ea589693ce35c6c823ae979725a37b8b1c68be, cn=Kapish Jain
Date: 2021.05.10 22:32:53 +05'30'

CA Kapish Jain
Partner
Membership No. 514162

Place: New Delhi
Date: 10 May 2021

For and on behalf of the Board of Directors

RAJEEV KHANNA
Digitally signed by RAJEEV KHANNA
DN: c=IN, st=Haryana, 2.5.4.20=9c97c86582cdd574ddfbbcc6de78b7781c2387da1a21f7ea29afcb607dae3f01, postalCode=121004, street=J-802 TOWER J BPTP SECTOR-82 FARIDABAD, serialNumber=8939645b34286f6238bd6e5486803e96f11dedc3b5e3660eb324c7c35c0e4b2b, o=Personal, cn=RAJEEV KHANNA, pseudonym=00b87d5731eb8a3fe8991299627895c5
Date: 2021.05.10 20:09:51 +05'30'

Rajeev Khanna
Whole Time Director
DIN: 08471497
Place : Faridabad

SUMIT RAJ

Sumit Raj
Director
DIN: 07171298
Place : Faridabad

VICKY CHAUHAN
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Date: 2021.05.10 18:54:56 +05'30'

Vicky Chauhan
Company Secretary
M. No.: A27729

DONALD FERNANDEZ
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Date: 2021.05.10 21:51:32 +05'30'

Donald Fernandez
Chief Financial Officer
PAN AAAPF9140N

ESCORTS FINANCE LIMITED
CIN L65910CH1987PLC033652

Statement of Cash Flow for the year ended 31 March 2021

(All amounts in Lacs unless stated otherwise)

	Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
A.	**Cash flow from operating activities**		
	Profit/(loss) after tax	2.74	0.20
	Adjustments for :		
	Excess provision written back	-	(3.44)
	Provision for Gratuity & Leave Encashment	0.45	0.78
	Finance cost	-	0.01
		3.19	(2.45)
	Changes in assets and liabilities		
	(Increase)/decrease in other financial assets and inventory	(0.26)	(0.26)
	(Increase)/decrease in trade receivables	(5.40)	0.84
	(Increase)/decrease in current tax assets	(1.04)	(1.99)
	(Increase)/decrease in other assets	(3.85)	12.69
	Increase/(decrease) in trade payable	-	-
	Increase/(decrease) in current tax liabilities (net)	-	
	Increase/(decrease) in other liabilities	0.60	18.32
	Cash generated from operating activities	(6.76)	**27.15**
	Financial Expenses	-	(0.01)
	Net cash generated from operating activities	(6.76)	**27.14**
B.	**Cash Flow from Investing Activities**		
	Purchase / Sales of property, plant and equipment	-	-
	Net cash generated from/(used in) investing activities	**-**	**-**
C.	**Cash flows from financing activities**		
	Increase/(Decrease) in Fixed Deposits (matured/inclaimed)	(9.66)	(15.16)
	Net cash generated from/(used in) financing activities	(9.66)	(15.16)
	Net increase/(decrease) in cash and cash equivalents (A+B+C)	(16.42)	11.98
	Cash and cash equivalents at the beginning of year	16.98	5.00
	Cash and cash equivalents at the end of year	**0.56**	**16.98**

1) The statement of cash flow has been prepared under the indirect method as set out in Ind AS 7 on statements of cash flow.
2) Figures in brackets indicate cash outflow.

See accompanying notes to the financial statements

In terms of our report attached
For Kapish Jain & Associates,
Chartered Accountants
Firm's Registration No. 022743N

Kapish Jain
Digitally signed by Kapish Jain
Date: 2021.05.10 22:34:20 +05'30'

CA Kapish Jain
Partner
Membership No. 514162

Place: New Delhi
Date: 10 May 2021

For and on behalf of the Board of Directors

RAJEEV KHANNA
Digitally signed by RAJEEV KHANNA
Date: 2021.05.10 20:12:34 +05'30'

SUMIT RAJ

Rajeev Khanna
Whole Time Director
DIN: 08471497
Place : Faridabad

Sumit Raj
Director
DIN: 07171298
Place : Faridabad

VICKY CHAUHAN
Digitally signed by VICKY CHAUHAN
Date: 2021.05.10 18:55:29 +05'30'

DONALD FERNANDEZ
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Date: 2021.05.10 21:52:19 +05'30'

Vicky Chauhan
Company Secretary
M. No.: A27729
Place : Faridabad

Donald Fernandez
Chief Financial Officer
PAN AAAPF9140N
Place : New Delhi

ESCORTS FINANCE LIMITED
CIN L65910CH1987PLC033652

Statement of changes in equity for the year ended 31 March 2021

A. Equity share capital

(All amounts in Lacs unless stated otherwise)

Particulars	No. of shares	Amount
Equity shares of Rs. 10 each issued and subscribed		
Balance as at 1 April 2019	**40,250,000**	**4,017.25**
Issue of equity share capital	-	-
Balance as at 31 March 2020	**40,250,000**	**4,017.25**
Issue of equity share capital	-	-
Balance as at 31 March 2021	**40,250,000**	**4,017.25**

B. Other equity

(All amounts in Lacs unless stated otherwise)

Particulars	Retained earnings	Equity insturments through other comprehensive income	Total
Balance as at 1 April 2019	**(21,828.47)**	**(38.87)**	**(21,867.34)**
Changes in accounting policy or prior period errors	-	-	-
Restated balance at the beginning of the reporting period	-	-	-
Total Comprehensive Income for the year	-	-	-
Profit for the year	14.00	-	**14.00**
Remeasurement beneift of defined benefit plans	(0.81)	-	**(0.81)**
Other comprehensive income for the year, net of income tax	-	(12.99)	**(12.99)**
Balance as at 31 March 2020	**(21,815.28)**	**(51.86)**	**(21,867.14)**
Profit / (loss) for the year	(1.05)	-	**(1.05)**
Remeasurement beneift of defined benefit plans	-	-	-
Other comprehensive income for the year, net of income tax	-	3.79	**3.79**
Balance as at 31 March 2021	**(21,816.33)**	**(48.07)**	**(21,864.40)**

See accompanying notes to the financial statements

In terms of our report attached
For Kapish Jain & Associates,
Chartered Accountants
Firm's Registration No. 022743N

Kapish Jain
Digitally signed by Kapish Jain
Date: 2021.05.10 22:38:22 +05'30'

CA Kapish Jain
Partner
Membership No. 514162

Place: New Delhi
Date: 10 May 2021

For and on behalf of the Board of Directors

RAJEEV KHANNA
Digitally signed by RAJEEV KHANNA
Date: 2021.05.10 20:13:44 +05'30'

Rajeev Khanna
Whole Time Director
DIN: 08471497
Place : Faridabad

SUMIT RAJ

Sumit Raj
Director
DIN: 07171298
Place : Faridabad

VICKY CHAUHAN
Digitally signed by VICKY CHAUHAN
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Vicky Chauhan
Company Secretary
M. No.: A27729
Place : Faridabad

DONALD FERNANDEZ
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Date: 2021.05.10 21:53:04 +05'30'

Donald Fernandez
Chief Financial Officer
PAN AAAPF9140N
Place : New Delhi

Notes forming part of the financial statements for the year ended 31 March 2021

1 Corporate Information

Escorts Finance Limited "the Company" is a public company incorporated under Indian Companies Act, 1956 having its registered office at Chandigarh. The Company is a listed company at Bombay Stock Exchange.

2 Significant Accounting Policies :

2.1 Statement of compliance

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), the provisions of the Companies Act, 2013 ("the Companies Act"), as applicable and guidelines issued by the Securities and Exchange Board of India ("SEBI"). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The financial statements correspond to the classification provisions contained in Ind AS 1, "Presentation of Financial Statements". For clarity, various items are aggregated in the statements of profit and loss and balance sheet. These items are disaggregated separately in the notes to the financial statements, where applicable.

Accounting policies have been applied consistently to all periods presented in these financial statements.

2.2 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:
- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

2.3 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17 and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2.4 Use of estimates

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key source of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of valuation of deferred tax assets and provisions and contingent liabilities.

Valuation of deferred tax assets
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.

2.5 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The specific recognition criteria described below must also be met before revenue is recognised:

a) 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.

b) 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.

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

d) Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

e) Dividend income is recognised at the time when right to receive the payment is established, which is generally when the shareholders approve the dividend.

2.6 Foreign currencies

The functional currency of the Company is Indian rupee (Rs.).

Income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognised in the statement of profit and loss.

2.7 Employee benefits
The Company provides post-employment benefits through various defined contribution and defined benefit plans.

2.7.1 Defined contribution plans
A defined contribution plan is a plan under which the Company pays fixed contributions into an independent fund administered by the government. The Company has no legal or constructive obligations to pay further contributions after its payment of the fixed contribution, which are recognised as an expense in the year in which the related employee services are received.

2.7.2 Defined benefit plans
The defined benefit plans sponsored by the Compamy define the amount of the benefit that an employee will received on completion of services by reference to length of service and last drawn salary. The legal obligation for any benefits remains with the Company.

Gratuity is post-employment benefit and is in the nature of a defined benefit plan. The liability recognised in the financial statements in respect of gratuity is the present value of the defined benefit obligation at the reporting date, together with adjustments for unrecognised actuarial gains or losses and post service costs. The defined benefit obligatoin is calculated at or near the reporting date by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to the statement of OCI in the year in which such gains or losses are determined.

Other long-term employee benefits
Liability in respect of compensated absences becoming due or expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to the statement of OCI in the year in which such gains or losses are determined.

Short-term employee benefits
Expenses in respect of other short term benefits is recognised on the basis of the amount paid or payable for the period during which services are rendered by the employee.

2.8 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.8.1 Current tax

2.8.2 Deferred tax
Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.8.3 Current and deferred tax for the year
Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.09 Inventories
Repossessed assets are valued at the end at lower of book value or net realizable value as certified by the management of the Company.

2.10 Property plant and equipment

The Company has elected to continue with the carrying value of all of its plant and equipment (including freehold land) as at the transition date, viz., 1 April 2015 measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Property plant and equipment and capital work in progress are stated at cost of acquisition or construction net of accumulated depreciation and impairment loss (if any).

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the Statement of Profit and Loss during the financial period in which they are incurred.

Depreciation is computed on Straight Line Method ('SLM') based on estimated useful lives as determined by internal assessment of the assets in terms of Schedule of II to the Companies Act, 2013.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

No further charge is provided in respect of assets that are fully written down but are still in use.

2.11 Intangible assets

Development of property (website) and software costs are included in the balance sheet as intangible assets, when they are clearly linked to long term economic benefits for the Company. These are measured initially at purchase cost and then amortised on a straight-line basis over their estimated useful lives.

2.12 Impairment of tangible and intangible assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

2.13 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.14 Financial Instruments

A. Initial recognition
Financial assets and financial liabilities are recognised when a Company entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Cash and cash equivalents
The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

B. Subsequent measurement

I. Non-derivative financial instruments

a. Financial assets carried at amortised cost
Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b. Financial assets at fair value through other comprehensive income
Investment in equity instruments (other than subsidiaries / associates / joint ventures) - All equity investments in scope of Ind-AS 109 are measured at fair value. Equity insturments which are hled for trading are generally classified at fair value through profit and loss (FVTPL). For all other equity instruments, the Company decides to classify the same either at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL). The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the other comprehensive income (OCI). There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Dividends on such investments are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

c. Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

d. Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

II. Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

C. Derecognition of financial instruments

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

2.15 Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realised.

2.16 Impairment of financial assets (other than at fair value)

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition

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Notes forming part of the financial statements for the year ended 31 March 2021

3 Property, plant and equipment

(All amounts in Lacs unless stated otherwise)

Cost	As at 1 April 2020	Additions	Adjustments	Deletions	As at 31 March 2021
Furniture and fixtures	1.37	-	-	-	1.37
Office equipment	14.51	-	-	-	14.51
Total	**15.88**	**-**	**-**	**-**	**15.88**

Depreciation	As at 1 April 2020	Additions	Adjustments	Deletions	As at 31 March 2021
Furniture and fixtures	1.35	-	-	-	1.35
Office equipment	14.42	-	-	-	14.42
Total	**15.77**	**-**	**-**	**-**	**15.77**

Carrying amounts	As at 1 April 2020	Additions	Adjustments	Deletions	As at 31 March 2021
Furniture and fixtures	0.02	-	-	-	0.02
Office equipment	0.09	-	-	-	0.09
Total	**0.11**	**-**	**-**	**-**	**0.11**

Verificaiton of property, plant & equipment
Refer Note 25 for physical verification of property, plant and equipment carried out during the year.

Depreciation of property, plant & equipment
Refer Note 26 for depreciation of property, plant and equipment.

4 Intangible assets

(All amounts in Lacs unless stated otherwise)

Cost	As at 1 April 2020	Additions	Adjustments	Deletions	As at 31 March 2021
Website Development	0.53	-	-	-	0.53
Total	**0.53**	**-**	**-**	**-**	**0.53**

Depreciation	As at 1 April 2020	Additions	Adjustments	Deletions	As at 31 March 2021
Website Development	0.44	-	-	-	0.44
Total	**0.44**	**-**	**-**	**-**	**0.44**

Carrying amounts	As at 1 April 2020	Additions	Adjustments	Deletions	As at 31 March 2021
Website Development	0.09	-	-	-	0.09
Total	**0.09**	**-**	**-**	**-**	**0.09**

Amortisation of intangible assets
Refer Note 26 for amortisation of intangible assets.

(This space has been intentionally left blank)

Notes forming part of the financial statements for the year ended 31 March 2021

5 Investments (All amounts in Lacs unless stated otherwise)

	As at 31 March 2021	As at 31 March 2020
Non-current investments		
Investment carried at cost		
Subsidiary Companies	-	-
Associates	-	-
Investment carried at fair value through OCI		
Fully paid equity shares (unquoted)	-	133.30
Investment carried at amortised cost		
Preference shares	167.10	151.83
	167.10	**285.13**
Current investments		
Fully paid equity shares (unquoted)	7.42	7.42
Less: Provision for Diminution in Value of Trade Investments	7.42	7.42
	-	**-**

Details of investment is as follows:

Non-current investments

	As at 31 March 2021	As at 31 March 2020
Subsidiary (in equity instruments - unquoted) - At Cost	-	-
Associates (in equity instruments - unquoted) - At Cost	-	-
Others (in equity instruments - unquoted) - At Fair Value		
Escorts Securities Limited *	-	133.30
NIL Equity Shares of Rs.10/- each (31 March 2020 : 14,60,000 shares)		
	-	**133.30**
Others (in preference shares) - At Amortised Cost		
All Grow Finance & Investment Private Limited	19.10	17.36
7,30,000 10% non-cummulative redeemable Preference Shares of Rs. 10/- each; Redeemable on or before 26.03.2035 (31st March 2020 : 7,30,000 shares)		
All Grow Finance & Investment Private Limited	148.00	134.47
1,97,250 4% non- cummulative redeemable Preference Shares of Rs. 100/- each; Redeemable on or before 04.07.2023 (31 March 2020 : 1,97,250 Shares)		
	167.10	**151.83**

** Refer Note 38 for investment classified as held for sale.*

Current investments

	As at 31 March 2021	As at 31 March 2020
Others (in equity instruments - unquoted) - At Cost		
Escorts Consumer Credit Limited	0.02	0.02
1,90,000 Equity Shares of Rs. 10/- each (31 March 2020 : 1,90,000)		
G.R. Solvents & Allied Insutries Limited	7.40	7.40
92,485 Equity Shares of Rs.10/- each (31 March 2020 : 92,485)		
	7.42	**7.42**

Notes forming part of the financial statements for the year ended 31 March 2021

6 Other financial assets

(All amounts in Lacs unless stated otherwise)

	As at 31 March 2021	As at 31 March 2020
Non-current other financial assets		
Unsecured; considered doubtful		
Loans and Advances	253.82	253.82
Less: Provision for bad & doubtful loan & advances	253.82	253.82
	-	-
Current financial assets		
Security deposits	3.73	3.73
Accrued interest	1.09	0.83
	4.82	**4.56**

7 Other assets

(All amounts in Lacs unless stated otherwise)

	As at 31 March 2021	As at 31 March 2020
Other non-current assets		
Prepaid expenses	86.36	103.16
	86.36	**103.16**
Other current assets		
(Unsecured; considered good unless otherwise stated)		
Advances with public bodies	0.73	0.27
Prepaid expenses	16.79	15.48
Other loans and advances	0.52	0.70
	18.04	**16.45**

8 Trade receivables

(All amounts in Lacs unless stated otherwise)

	As at 31 March 2021	As at 31 March 2020
Unsecured		
i. Considered good	8.00	2.60
ii. Considered doubtful $	699.70	699.70
	707.70	**702.30**
Less: Provision for bad and doubtful trade receivables	699.70	699.70
	8.00	**2.60**

$ Refer Note 30 for doubtful trade receivables.

9 Cash and cash equivalents

(All amounts in Lacs unless stated otherwise)

	As at 31 March 2021	As at 31 March 2020
Cash on hand	-	-
Balances with banks in current accounts	0.56	16.98
	0.56	**16.98**

10 Assets held for sale

(All amounts in Lacs unless stated otherwise)

	As at 31 March 2021	As at 31 March 2020
Investment in equity instruments of Escorts Securities Limited # 14,60,000 Equity Shares of Rs.10/- each (31 March 2020 : NA)	137.09	-
	137.09	**-**

 # Refer Note 38 for measurement of assets held for sale.

Notes forming part of the financial statements for the year ended 31 March 2021

11 Share capital (All amounts in Lacs unless stated otherwise)

	As at 31 March 2021		As at 31 March 2020	
	No. of shares	**Amount**	**No. of shares**	**Amount**
Authorised share capital				
Equity shares				
Equity shares of Rs. 10 each	40,500,000	4,050.00	40,500,000	4,050.00
	40,500,000	**4,050.00**	**40,500,000**	**4,050.00**
Issued, subscribed and fully paid up				
Equity shares				
Equity shares of Rs. 10 each	40,250,000	4,025.00	40,250,000	4,025.00
Less: Allotement money in arrears from others		7.75		7.75
Total	**40,250,000**	**4,017.25**	**40,250,000**	**4,017.25**

(a) Reconciliation of number of shares

	As at 31 March 2021		As at 31 March 2020	
Equity share capital	**No. of shares**	**Amount**	**No. of shares**	**Amount**
Balance as at the beginning of the year	40,250,000	4,017.25	40,250,000	4,017.25
Add: Increase during the year	-	-	-	-
Balance as at the end of the year	**40,250,000**	**4,017.25**	**40,250,000**	**4,017.25**

(b) Rights / preferences / restrictions attached to equity shares

The Company has one class of equity shares having a par value of Rs. 10 per Share. Each Shareholder is eligible for one vote per share held. The dividend proposed (if any) by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend(if any). In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(c) Details of shareholders holding more than 5% shares in the Company

Name of shareholder	As at 31 March 2021		As at 31 March 2020	
	No of shares	**% holding**	**No of shares**	**% holding**
Escorts Benefit and Welfare Trust	23,497,478	58.38%	23,497,478	58.38%
Escorts Limited	3,819,700	9.49%	3,819,700	9.49%
Allgrow Finance and Investment Private Limited	2,155,908	5.36%	2,155,908	5.36%

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Notes forming part of the financial statements for the year ended 31 March 2021

12 Other Equity (All amounts in Lacs unless stated otherwise)

	As at 31 March 2021	As at 31 March 2020
Securities Premium Reserve	**2,643.83**	**2,643.83**
Special Reserve	**1,115.00**	**1,115.00**
General Reserve	**31.46**	**31.46**
Retained Earning		
Balance at beginning of the year	(25,604.59)	(25,618.59)
Add: Profit/(Loss) for the year	(1.05)	14.00
Balance at closing of the year	**(25,605.64)**	**(25,604.59)**
Other Comprehensive Income, Net of Tax		
Equity instruments measured at fair value through other comprehensive income		
Balance at beginning of the year	(51.86)	(38.87)
Add: Changes during the year	3.79	(12.99)
Balance at closing of the year	**(48.07)**	(51.86)
Re-measurements of defined employee benefit plans		
Balance at beginning of the year	(0.98)	(0.17)
Add: Changes during the year	-	(0.81)
Balance at closing of the year	**(0.98)**	**(0.98)**
Balance at the end of 31 March 2021	**(21,864.40)**	**(21,867.14)**

Nature and purpose of reserves:
Other comprehensive income (OCI)

(a) The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

(b) The Company has recognised remeasrement of defined benefits plans through other comprehensive income.

13 Borrowings (All amounts in Lacs unless stated otherwise)

	As at 31 March 2021	As at 31 March 2020
Non-Current Borrowings	-	-
Current Borrowings		
Preference shares		
95,00,000 10% Redeemable Cumulative Preference Shares of Rs. 10 each (31 March 2020 : 95,00,000)	950.00	950.00
	950.00	**950.00**

Refer Note 31 for filing of petition before NCLT to extend the maturity period which were due for redemption on 30 March 2019.
Refer Note 32 for non-provision of interest payable on borrowed amount as on balance sheet date.

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Notes forming part of the financial statements for the year ended 31 March 2021

14 Other Financial Liability

(All amounts in Lacs unless stated otherwise)

	As at 31 March 2021	As at 31 March 2020
Other Non-Current Financial Liability		
a. FD Redemption through Court approved arrangements *	14,801.86	14,792.21
	14,801.86	**14,792.21**
Other Current Financial Liability		
a. Matured / Unclaimed fixed deposits and interest thereon ^	1,060.18	1,069.84
b. Other payable	1,505.13	1,511.42
	2,565.31	**2,581.26**

** Refer Note 33 for amount repaid to its unclaimed/unpaid matured fixed deposits by Escorts Limited to bail out the liability of the Company under the directions of Hon'ble Delhi High Court.*

^ Refer Note 34 for remaining liability towards unclaimed matured fixed deposits liability including interest thereon and the same is pending for deposit in Investor Education & Protection Fund.

15 Provisions

(All amounts in Lacs unless stated otherwise)

	As at 31 March 2021	As at 31 March 2020
Non-current Provisions		
Provision for employee benefits		
a. Provision for gratuity	2.16	2.00
b. Provision for compensated absenses	0.39	0.39
	2.55	**2.39**
Current Provisions		
Provision for employee benefits		
a. Provision for gratuity	0.03	3.06
b. Provision for compensated absenses	0.02	0.55
	0.05	**3.61**

16 Other current liabilities

(All amounts in Lacs unless stated otherwise)

	As at 31 March 2021	As at 31 March 2020
Statutory dues payable	3.04	1.95
	3.04	**1.95**

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Notes forming part of the financial statements for the year ended 31 March 2021

17 Revenue from operations

(All amounts in Lacs unless stated otherwise)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Other operating revenue		
a. Bad Debts Recovered	-	5.08
b. Overdue Interest	0.01	0.87
c. Provisions for doubtful debts/ advances written back	-	3.44
	0.01	**9.39**

18 Other income

(All amounts in Lacs unless stated otherwise)

	For the year ended 31 March 2021	For the year ended 31 March 2020
a. Interest income	0.26	0.29
b. Other income	27.05	40.62
	27.31	**40.91**

19 Employee benefits expense

(All amounts in Lacs unless stated otherwise)

	For the year ended 31 March 2021	For the year ended 31 March 2020
a. Salary, wages and bonus	14.30	15.37
b. Contribution to provident and other funds	0.64	0.67
c. Staff welfare expenses	-	0.02
	14.94	**16.06**

20 Depreciation and amortisation expense

(All amounts in Lacs unless stated otherwise)

	For the year ended 31 March 2021	For the year ended 31 March 2020
a. Depreciation of plant, property and equipment	-	-
b. Amortisation of intangible assets	-	-
	-	**-**

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Notes forming part of the financial statements for the year ended 31 March 2021

21 Finance cost (All amounts in Lacs unless stated otherwise)

	For the year ended 31 March 2021	For the year ended 31 March 2020
a. Bank Charges	-	0.01
	-	**0.01**

22 Other expenses (All amounts in Lacs unless stated otherwise)

	For the year ended 31 March 2021	For the year ended 31 March 2020
a. Rates and taxes	0.26	0.37
b. Legal and professional	3.73	4.32
c. Repair and maintenance - others	0.09	0.08
d. Printing & Stationary	0.02	0.10
e. Travelling and conveyance	0.09	0.60
f. Advertisement & Publicity	0.59	1.09
g. Postage & Telephone	0.22	0.25
h. Payments to auditors (see Note 'A' below)	2.08	2.15
i. Director's Sitting Fees	0.56	0.74
j. Bad debts written off	-	1.74
k. AGM Expenses	1.07	3.38
l. Fee & Subscription	4.70	5.34
m. Miscellaneous expenses	0.02	0.07
	13.43	**20.23**

Note:

A Payments to auditors		
(i) Audit Fees	2.00	2.00
(ii) Other Services	-	-
(iii) Out of pocket expenses	0.08	0.15
	2.08	**2.15**

(This space has been intentionally left blank)

(All amounts in Lacs unless stated otherwise)

23 Commitments and contingencies

a. The estimated amount of contracts remaining to be executed on capital amount and not provided for (net of advances) amount to Rs. Nil (31 March 2020: Rs. Nil).

b. The Company has other commitments, for purchase of goods and services and employee benefits, in normal course of business. The Company does not have any long-term commitments/contracts including derivative contracts for which there will be any material foreseeable losses.

c. Contingent liabilities *

(i) Sales tax demands against the Company not acknowledged as debt and not provided for in respect of which the Company is in appeal is Rs. 2.93 lacs (Previous Year Rs.2.93 lacs).

(ii) Claims/demands under litigation against the Company not acknowledged as debt and not provided for in the books. Amount is presently not ascertainable.

** The provisions and the disclosures with regard to matters under litigations have been made based upon the management representation/estimates.*

24 The Company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure relating to amounts unpaid as at balance sheet date together with interest paid / payable under this Act has not been given.

25 The Company has conducted routine physical verification of its property, plant and equipment during the year in order to ensure their location, existence and assess their working condition. No discrepancies have been reported during such verification.

26 All the property, plant & equipment and intangible assets of the Company are fully depreciated in accordance with the provisions of Companies Act, 2013. The minimum residual value is carried in books of accounts.

27 The Company had accumulated losses as at the close of the financial year with its net worth continuing to stand fully eroded. Presently, the Company continues to focus on recovery of old delinquent loan assets through settlement/ compromise /legal action etc. arising out of it's earlier NBFC business. The financial information in these financial statements has been prepared on a going concern basis, which assumes that the Company will continue it's operational existence in the foreseeable future as the management of the company is considering various options to undertake suitable business(s) and is also exploring the options of revival or restructuring of the Company.

28 The Company is no longer registered with Reserve Bank of India (RBI) as Non Banking Financial Institution (NBFI) after cancellation of it's earlier registration vide RBI letter no DNBS(NDI) S.3242/MSA/06.05.001/2015-16 dated 6 May 2016. Accordingly, the related provisions pertaining to NBFI are currently not applicable to the Company.

29 In opinion of the Board, the loans & advances (net of related provisions) 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.

30 Trade receivables amounting to Rs. 699.70 lacs (Previous Year Rs. 699.70 lacs) represents cases against which legal actions/ settlements/compromises for recovery are in process. However, full provision is held against such receivables.

31 The Company had issued 10% Cumulative Redeemable Preference Shares of Rs. 10 each maturing on 30 March 2019. Due to liquidity crunch, the discharge of the said liability before or on due date of redemption has not been done. The Company has received a No Objection Certificate from the preference share holder extending the maturity period of said Preference Shares for a further period of 20 years. Accordingly, the Company has filed a petition before National Company Law Tribunal (NCLT) on 29 March 2019 seeking issuance of 1% Cumulative Redeemable Preference Shares in place of said Preference Shares with new terms and conditions. Since the aforesaid matter is pending for hearing before NCLT, this liability has been classified under current borrowing as on 31 March 2021. The matter is listed on 16 July 2021.

32 Since the matter related to issuance of 1% Cumulative Redeemable Preference Shares in place of existing 10% Cumulative Redeemable Preference Shares is pending before NCLT, therefore, the Company has not made any provision for interest payable on the borrowed amount.

33 The Company is a subsidiary of M/s Escorts Limited (the "Holding Company"). The Holding Company bailed out the liability of the Company towards its unclaimed/unpaid matured fixed deposits from time to time since 2007 in terms of a Scheme of Arrangement and Compromise filed before the Hon'ble Delhi High Court. Accordingly, the amount repaid to the fixed deposit holders under the directions of the Court to the extent of Rs. 14,801.86 lacs as on 31 March 2021 (Rs. 14,792.21 lacs as on 31 March 2020) has been shown as "FD Redemption through Court approved arrangements" under "Non-Current Financial Liabilities".

34 M/s Escorts Benefit Trust (EBT) created by Escorts Limited maintains adequate funds to repay the matured unpaid fixed deposit liability, in terms of the direction of Hon'ble Delhi High Court. During the year ended 31 March 2021, EBT has settled the claims to the extent of Rs. 9.66 lacs by repayment to respective fixed deposit holders. The remaining liability towards unclaimed fixed deposits and interest thereon is Rs. 1060.18 lacs as on 31 March 2021 (Rs. 1069.84 lacs as on 31 March 2020) and the same is pending for deposit in Investor Education & Protection Fund.

35 Employee benefits plans

A. **Defined contribution plans:**

The Company makes Provident fund and Employee State Insurance Scheme contribution which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to the fund. The contribution payable to these plans by the Company are at rates specifed in the rules of the schemes. Employers's contribution to Provident Fund and Employee's State Insurance Scheme recognised as expenses in the Statement of Profit and Loss for the year are as under:

(Amount in Rupees)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Contribution to provident fund and other funds	64,372	66,951

B. **Defined benefit plans:**

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

i) **Amount recognised in the statement of profit and loss is as under :**

(Amount in Rupees)

	Gratuity benefits		Compensated absences	
	For the year ended		For the year ended	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Current service cost	13,171	25,517	2,447	4,763
Past service cost including curtailment gains/losses	-	-	-	-
Interest cost	28,287	26,825	5,269	4,967
Actuarial (gain)/loss, net	-	-	(4,005)	15,511
Amount recognised during the year	**41,458**	**52,342**	**3,711**	**25,241**

ii) **Movement in the present value of defined benefit obligation recognised in the balance sheet is as under**

(Amount in Rupees)

	Gratuity Benefits		Compensated absences	
	For the year ended		For the year ended	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Present value of defined benefit obligation as at the start of the year	506,935	373,603	94,426	69,185
Current service cost	13,171	25,517	2,447	4,763
Past service cost	-	-	-	-
Interest cost	28,287	26,825	5,269	4,967
Actuarial (gain)/loss on obligation	(83)	80,990	(4,005)	15,511
Benefits paid	(329,279)	-	(57,075)	-
Present value of defined benefit obligation as at the end of the year	**219,031**	**506,935**	**41,062**	**94,426**
Current position of obligation as at the end of the year	3,220	306,450	1,713	54,929
Non-current position of obligation as at the end of the year	215,811	200,485	39,349	39,497

iii) **Net Employee Benefit (recognised in Other Comprehensive Income)**

(Amount in Rupees)

	Gratuity Benefits		Compensated absences	
	For the year ended		For the year ended	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Acturial gain / (loss) for the year on PBO	83	(80,990)	-	-
Acturial gain / (loss) for the year on Assets	-	-	-	-

iv) **Acturial Gain / (Loss) on obligation**

(Amount in Rupees)

	Gratuity Benefits		Compensated absences	
	For the year ended		For the year ended	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Actuarial (Gain)/Loss from Change in Demographic Assumption	-	152	-	28
Actuarial (Gain)/Loss from Change in Financial Assumption	(1,275)	21,474	(240)	4,144
Actuarial (Gain)/Loss from Experience Adjustment	1,192	59,364	(3,765)	11,339

v) **Economic assumptions:**

The principal assumptions are the discount rate and salary growth rate. The discount rate is generally based upon the market yield available on the Government bonds at the accounting date with a term that matches that of the liabilities and the salary growth rate takes account of inflation, seniority, promotion and other relevant factors on long term basis.

	As at 31 March 2021	As at 31 March 2020
Discount rate	5.70%	5.58%
Salary growth rate	7.50%	7.50%

vi) **Demographic assumptions:**

	As at 31 March 2021	As at 31 March 2020
Retirement age	58 years	58 years
Mortality table	IALM (2012-14)	IALM (2012-14)
Withdrawal rates		
Upto 30 years	3%	3%
From 31 to 44	2%	2%
Above 44 years	1%	1%

These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year-end by reference to government bonds and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.

vii) **Sensitivity analysis for defined benefit obligation** (Amount in Rupees)

	Gratuity Benefits		Compensated absences	
	For the year ended		For the year ended	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Impact of the change in discount rate				
Present value of obligation at the end of the year	219,031	506,935	41,062	94,426
- Impact due to increase of 0.50 %	(5,218)	(6,929)	(979)	(1,334)
- Impact due to decrease of 0.50 %	5,373	7,141	1,014	1,382
Impact of the change in salary increase				
Present value of obligation at the end of the year	219,031	506,935	41,062	94,426
- Impact due to increase of 0.50 %	5,257	6,979	988	1,345
- Impact due to decrease of 0.50 %	(5,155)	(6,839)	(969)	(1,320)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied which was applied while calculating the defined benefit obligation recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to prior period.

viii) **Maturity profile of defined benefit obligation** (Amount in Rupees)

	Gratuity Benefits		Compensated absences	
	For the year ended		For the year ended	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Within next 12 months	3,220	306,450	1,713	54,929
Between 1-5 years	215,811	14,240	39,349	4,339
Beyond 5 years	-	186,245	-	35,158

36 The Comapny has considered the possible effects that may result from the pandemic (Covid 19) on the carrying amount of receivables, loans/advances, investments and other assets / liabilities. Based on the current indicators of future economic conditions, the management expects to recover the carrying amount of these assets. The Company continues to closely monitor any material changes to the future economic conditions.

37 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.

38 The Board of the Directors of the Company on 01 February 2021 had approved for sale of 14,60,000 shares of Rs 10/- each in Escorts Securities Limited, a investee company. On 08 April 2021, the Company had entered into a Share Purchase Agreement, to sell the aforesaid shares to Choice Equity Broking Private Limited ("purchaser"). In terms of the agreement, upon necessary regulatory approvals and on the Closing date, the aforesaid shares will be transferred to the purchaser, at an aggregate consideration to be decided on the closing date. Pending transfer of the shares to the purchaser, the investment has been classified as held for sale.

As per the requirement of Ind AS 105 "Non-Current Assets Held for Sale and Discontinued Operations" the asset is being carried at cost (book value) or fair value whichever is less. Refer the table below for the detail of amount:

(Amount in Rupees)

Particulars	As at 31 March 2021
Book value of investment held for sale (A)	13,709,400
Fair value of investment (B)#	14,278,800
Value at which the asset is recognized as held for sale (Lower of A & B)	**13,709,400**

 # fair value is computed as per process for determination of purchase price (clause 2.7) of Share Purchase Agreement executed on 08 April 2021.

ESCORTS FINANCE LIMITED
CIN L65910CH1987PLC033652

Notes forming part of the financial statements for the year ended 31 March 2021

39 As at 31 March 2018, Company had invested Rs. 73,00,000 in 10% non-cummulative redeemable preference shares and Rs. 1,97,25,000/- in 4% non-cummulative redeemable preference shares of Allgrow finance & Investment Private Limited. Further, the Company has not recognized the interest income on these prefrence shares as the company does not expect to receive these interest from the investee company. This is because of current year and previous year losses of the investee company. However, as per the management, the investment is not credit impaired and company expects to receive the full amount of principal on maturity.

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

41 Related party disclosures

(a) Holding Company
Escorts Limited

(b) Parties with whom control exists:
Escorts Benefit and Welfare Trust

(c) Key Managerial Personnel

Mr. Rajeev Khanna	Whole time director (with effect from 04 June 2019)
Ms. Preeti Chauhan	Director (with effect from 03 May 2013)
Mr. Sumit Raj	Director (with effect from 16 May 2018)
Mr. Vinod Dixit	Director (with effect from 26 July 2019)
Mr. Pritam Narang	Whole time director (till 04 June 2019)
Mr. Donald Fernandez	Chief Financial Officer
Mr. Vicky Chauhan	Company Secretary

42 Related party transactions

	For the year ended on 31 March 2021	For the year ended on 31 March 2020
(a) Amount payable (outstanding at end of the year)		
Escorts Limited (Holding Company)	16,295.73	16,286.07
(b) Salary paid		
Mr. Donald Fernandez (Chief Financial Officer)	8.26	8.24
(c) Sitting Fee Paid		
Mr. Rajeev Khanna (Whole time director) (from 04 June 2019)	0.16	0.14
Ms. Preeti Chauhan (Director) (from 03 May 2013)	0.16	0.22
Mr. Sumit Raj (Director) (from 16 May 2018)	0.16	0.22
Mr. Vinod Dixit (Director) (from 26 July 2019)	0.08	0.06
Mr. Pritam Narang (Whole time director) (till 04 June 2019)	-	0.10

43 Earning per share

Particulars	**31 March 2021**	**31 March 2020**
Net profit attributable to the shareholders (Rs. in Lacs)	(1.05)	14.00
Weighted avg. number of outstanding equity shares during the year	40172500	40172500
Basic earning per share (in Rupees)	(0.003)	0.035
Diluted earning per share (in Rupees)	(0.003)	0.035

44 The Company has a single reportable segment namely financial services (limited to recovery of loan assets) for the purpose of Ind AS-108.

45 There are no other event observed after the reported period which have an impact on the Company's operation.

46 The figures for the previous period have been regrouped / rearranged / reclassified wherever necessary.

In terms of our report attached
For Kapish Jain & Associates,
Chartered Accountants
Firm's Registration No. 022743N

Kapish Jain

CA Kapish Jain
Partner
Membership No. 514162

Place: New Delhi
Date: 10 May 2021

For and on behalf of the Board of Directors

RAJEEV KHANNA

Rajeev Khanna
Whole Time Director
DIN: 08471497
Place : Faridabad

SUMIT RAJ

Sumit Raj
Director
DIN: 07171298
Place : Faridabad

VICKY CHAUHAN
Digitally signed by VICKY CHAUHAN
Date: 2021.05.10 18:57:24 +05'30'

Vicky Chauhan
Company Secretary
M. No.: A27729
Place : Faridabad

DONALD FERNANDEZ
Digitally signed by DONALD FERNANDEZ
Date: 2021.05.10 21:54:25 +05'30'

Donald Fernandez
Chief Financial Officer
PAN AAAPF9140N
Place : New Delhi