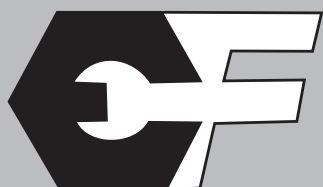




26th

ANNUAL REPORT

2013-2014



**ESCORTS
FINANCE
LIMITED**



COMPANY INFORMATION

Board of Directors

Mr. Inder Mohan Sakhuja, Chairman

Mr. Pritam Narang

Mr. Rochak Puri

Ms. Preeti Chauhan

Manager

Mr. P. K. Marwah

Company Secretary

Mr. Vicky Chauhan

Chief Financial Officer

Mr. Donald Fernandez

Auditors

M/s. N. M. Raiji & Co.

E-7/14, IIInd Floor

Vasant Vihar

New Delhi - 110 057

Registered Office

SCO - 198-200, Second Floor

Sector – 34A, Chandigarh – 160 022

CIN: L65910CH1987PLC033652



NOTICE

Notice is hereby given that the **Twenty Sixth Annual General Meeting** of Escorts Finance Limited will be held on **Friday, September 26, 2014 at 3.00 P.M.** at Hotel K C Residency, SCO-377-380, Sector – 35B, Chandigarh – 160 035 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2014 and the Statement of Profit and Loss for the year ended on that date and the Reports of Auditors' and Directors' thereon.
2. To appoint a Director in place of Mr. Pritam Narang who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s. N. M. Raiji & Co., Chartered Accountants, (Firm Registration No. 108296W) as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

"Resolved That pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder {including any statutory modification(s) or re-enactment thereof for the time being in force} read with Schedule IV of the Companies Act, 2013, Mr. Rochak Puri (holding DIN 00042536), who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, to hold office for a period of 3 (three) consecutive years upto conclusion of the 29th Annual General Meeting of the Company to be convened in the calendar year 2017."

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

"Resolved That pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder {including any statutory modification(s) or re-enactment thereof for the time being in force} read with Schedule IV of the Companies Act, 2013, Ms. Preeti Chauhan (holding DIN 06567695), who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, to hold office for a period of 3 (three) consecutive years upto conclusion of the 29th Annual General Meeting of the Company to be convened in the calendar year 2017."

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

"Resolved That pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 and the rules made thereunder {including any statutory modification(s) or re-enactment thereof, for the time being in force}, the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution and to the exclusion of the regulations contained in the existing Articles of Association of the Company.

Resolved Further That the Board of Directors of the Company be and are hereby authorised to do all acts and take all such steps as may be necessary, desirable or expedient to give effect to this resolution."

NOTES:

- 1) **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL ON HIS BEHALF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PROXY MAY BE SENT IN THE ENCLOSED FORM AND IN ORDER TO BE EFFECTIVE MUST REACH THE REGISTERED OFFICE OF THE COMPANY DULY COMPLETED AND SIGNED ATLEAST 48 HOURS BEFORE THE COMMENCEMENT OF THE ANNUAL GENERAL MEETING (AGM).**
- 2) The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, which sets out details relating to Special Business at the AGM, is annexed hereto.
- 3) A copy of Annual Report containing Balance Sheet as at March 31, 2014 and the Statement of Profit & Loss for the year ended on that date together with the Auditors' and Directors' Reports thereon are enclosed. Members are requested to bring their copies of Annual Report at the AGM.



- 4) **Green Initiative:** The Ministry of Corporate Affairs (MCA), Government of India, through its circular no. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively, has allowed companies to send documents to the shareholders electronically as part of its green initiatives.

Recognizing the spirit of the said circular, we are sending documents like the Notice of General Meeting, Financial Statements, Directors' Report, Auditors' Report and other Communication etc., to the email address registered with your Depositories. We request you to update your email address with your Depositories Participants to ensure that the Annual Report and other documents reach you on preferred email address and the shareholders holding shares in physical mode may inform their email address to the Company.

- 5) The Register of Members and Share Transfer Books of the Company will remain closed from September 13, 2014 to September 26, 2014 (both days inclusive).
- 6) Shareholders/ Proxy holders are requested to produce at the entrance attached attendance slip duly completed and signed, for admission to the AGM hall.
- 7) Members are informed that Share Transfer and related activities are being carried out by Alankit Assignments Limited, Registrar and Share Transfer Agents (Alankit RTA), from the following address: -

ALANKIT ASSIGNMENTS LIMITED

Alankit House
2E/21, Jhandewalan Extension
New Delhi – 110 055
Tel.- +91-11-42541953, 23541234, 42541234
Fax: +91-11-23552001
E-mail id: rta@alankit.com

All correspondence may kindly be sent to the above address only.

- 8) The Equity shares of the Company can only be traded in electronic mode w.e.f. June 26, 2000 as per SEBI guidelines. The Company has already entered into agreements with National Securities Depository Ltd. and Central Depository Services (India) Ltd. for the same. Interested members may opt to convert their physical shares of the Company in electronic mode after sending request for dematerialisation through their Depository Participant.
- 9) Members of the Company who are holding shares in physical form and have multiple accounts in identical name(s) or are holding more than one share certificate in the same name under different ledger folio(s) are requested to apply for consolidation of such folio(s).
- 10) Section 72 of the Companies Act, 2013 and Rule 19 of the Companies (Share Capital & Debenture) Rules, 2014 has extended nomination facility to individual shareholders holding shares in physical form. Shareholders are requested to avail the above facility by submitting prescribed **Form SH-13** to Alankit RTA. This form is also available on the Company's website www.escortsfinance.com.
- 11) Please send all correspondence including requests for transfer/ transmission of shares and change of address etc. to Alankit RTA.
- 12) Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions in writing to the Company Secretary at least ten days before the date of the meeting, so that the required information may be made available at the meeting.
- 13) Members who have not yet paid their "Allotment Money" are advised to send the same along with interest calculated @ 17% p.a. for delayed period i.e. from May 7, 1995 till the date of payment, through demand draft/ cheque payable at Delhi in favour of the Company, to avoid forfeiture.
- 14) Pursuant to the requirements of the Listing Agreement with the Stock Exchanges on Corporate Governance the information required to be given in case of appointment or re-appointment of Director, is given in the Corporate Governance Report forming part of this Annual Report.
- 15) Electronic copy of the Notice of the 26th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/ Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice is being sent by the permitted mode.
- 16) Members may also note that the Notice of the 26th AGM and the Annual Report for the financial year ended on March 31, 2014 will also be available on the Company's website www.escortsfinance.com. The physical copies of the



aforesaid documents along with all documents referred to in the accompanying Notice and the Explanatory Statement will also be available at the Company's Registered Office in Chandigarh for inspection during normal business hours on working days between 11.00 A.M. to 3 P.M. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's email id escortsfinance@escorts.co.in.

17) Voting through electronic means:-

- I. In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and the revised Clause 35B of the Listing Agreement, the Company is pleased to offer e-voting facility to its Members in respect of the businesses to be transacted at the 26th AGM. The Company has engaged the services of Central Depository Services (India) Limited ("CDSL") as the Authorised Agency to provide e-voting facilities.
- II. Members are requested to note that the business may be transacted through electronic voting system and the Company is providing facility for voting by electronic means. It is hereby clarified that it is not mandatory for a Member to vote using the e-voting facility. A Member may avail of the facility at his/ her/ its discretion, as per the instructions provided herein:

Instructions of e-voting:-

- A. In case of members receiving e-mail:
 - i. Log on to the e-voting website www.evotingindia.com during evoting period.
 - ii. Click on "Shareholders" tab.
 - iii. Now, select the Electronic Voting Sequence Number – "EVSN" 140826095 along with "Escorts Finance Limited" from the drop down menu and click on "SUBMIT".
 - iv. In case you are already registered with CDSL for e-voting then you can use your existing user ID and password for casting your vote. If you are a first time user follow the steps given below.
 - v. Now, enter your User ID :
 - a. For NSDL: 8 Character DP ID followed by 8 digits Client ID
 - b. For CDSL: 16 digits beneficiary ID
 - c. For Members holding shares in Physical Form should enter Folio Number Registered with the Company
 - vi. Next enter the image Verification as displayed and click on login.
 - vii. In case you are holding shares in Demat form and had logged on www.evotingindia.com and voting on an earlier voting of any Company then your existing password is to be used.
 - viii. If you are a first time user, please follow the steps given below and fill up the following details in the appropriate boxes.

For Member holding shares in Demat and physical form:	
PAN*	Enter your 10 digit alpha-numeric *Permanent Account Number (PAN) issued by Income Tax Department when prompted by the system while e-voting
DOB#	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.
Bank Details#	Enter the Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.

*Members who have not updated their PAN with the Company/ Depository Participant can enter in the PAN field the 10 characters as First 2 Alphabets of First Holder Name followed by 8 Characters consisting of Folio No. prefix by "0" (or 8 Characters from the right BO-ID). No special characters will be taken from the Name and Folio No.

#Please enter any one of the details in order to login. In case either of the details are not recorded with the depository/ Company, please enter the number of shares held by you as on August 22, 2014 in the Bank Details field.

- ix. Members holding shares in physical form will then directly reach the EVSN selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password shall be used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.



- x. For members holding shares in physical form, the details can be used for only e-voting on the resolutions contained in this Notice.
 - xi. Click on the relevant EVSN on which you choose to vote.
 - xii. On the voting page, you will see Resolution Description and against the same the option "YES/ NO" for voting. Select the option YES or NO as desired. The option "YES" implies that you assent to the Resolution and option "NO" implies that you dissent to the Resolution.
 - xiii. Click on the "Resolutions File Link" if you wish to view the entire Resolution(s).
 - xiv. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
 - xv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
 - xvi. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
 - xvii. If Demat account holder has forgotten the changed password then enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.
 - xviii. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves, link their account which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and POA in favour of the Custodian who they have authorised to vote on their behalf, in PDF format in the system for the scrutinizer to verify the vote.
- B. In case of Members receiving the **physical copy of Notice of AGM** {for members whose email IDs are not registered with the Company/ Depository Participant(s) or requesting for physical copy}, please follow all steps from sl. no. (i) to sl. no. (xvi) above, to cast vote.
- III. In case you have any queries regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and E-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
- IV. The e-voting period commences on **Saturday, September 20, 2014 (9:00 am IST) and ends on Monday, September 22, 2014 (6:00 pm IST)**. During this period, Members of the Company, holding shares either in physical form or in dematerialised form, as on the **cut-off date i.e. August 22, 2014**, may cast their vote electronically. The Name of Escorts Finance Limited shall be disabled by CDSL for voting thereafter from their e-voting module.
- V. The voting rights of Members shall be in proportion to their share in the Paid-up Equity Capital of the Company as on the cut-off date i.e. **August 22, 2014**.
- VI. **Members can opt for only one mode of voting i.e.** either by e-voting or physically at the AGM venue. In case you are opting for e-voting then do not vote by physical mode at AGM venue and vice-versa. In case members cast their vote both via physical as well as e-voting then voting done through physical mode shall not prevail and voting done by e-voting shall be considered as valid vote.
- VII. Mr. Jayant Gupta, Practising Company Secretary has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- VIII. The Scrutinizer shall, within a period not exceeding 3 (three) working days from the conclusion of the e-voting period unblock the votes in the presence of at least 2 (two) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- IX. The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.escortsfinance.com and on the website of CDSL at www.evotingindia.co.in within 2 (two) working days of passing of the resolution(s) at the AGM and shall be communicated to Stock Exchange i.e. BSE Limited.
- 18) The Securities and Exchange Board of India (SEBI) has mandated submission of PAN by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to Alankit RTA.

By Order of the Board
For Escorts Finance Limited

Place: Faridabad
Dated: August 12, 2014

Sd/-
Vicky Chauhan
Company Secretary



EXPLANATORY STATEMENT IN RESPECT OF SPECIAL BUSINESS (PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013)

ITEM NO. 4 & 5

Mr. Rochak Puri and Ms. Preeti Chauhan are Non-Executive Independent Directors on the Board of the Company whose period of office is liable to determination by retirement by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013 and rules made thereunder, Mr. Puri and Ms. Chauhan being eligible have offered themselves for re-appointment. It is proposed to appoint Mr. Puri and Ms. Chauhan as Independent Directors for a period of 3 (three) consecutive years upto the conclusion of the 29th Annual General Meeting of the Company to be convened in the calendar year 2017.

Notices in writing pursuant to Section 160 of the Companies Act, 2013, proposing their candidature as Independent Directors of your Company, have been received.

In the opinion of the Board, Mr. Puri and Ms. Chauhan fulfil the conditions specified in the Companies Act, 2013 and rules made thereunder for their appointment as Independent Directors of the Company. Copy of the draft letter for appointment of Mr. Puri and Ms. Chauhan as Independent Directors would be available for inspection by the members without any fee at the Registered Office of the Company during normal business hours on any working day.

The Board considers that it is desirable to continue to avail services of Mr. Puri and Ms. Chauhan as Independent Directors.

Particulars of their qualifications, brief resume and area of expertise etc. are included in Corporate Governance Report annexed to the Directors' Report.

Except Mr. Puri and Ms. Chauhan, being appointee(s), none of the Directors, Key Managerial Personnel of the Company or their relatives, is concerned or interested, financial or otherwise, in the resolution set out at Item No. 4 & 5.

The Board commends the resolutions for approval of the members.

ITEM NO. 6

The existing Articles of Association (AOA) are based on the Companies Act, 1956 wherein several regulations in the existing AOA contain references to specific Sections of the Companies Act, 1956 and certain regulations in the existing AOA are no longer in conformity with the Companies Act, 2013 (the "Act").

The Act is now largely in force with the Ministry of Corporate Affairs ("MCA") notifying 98 Sections for implementation on September 12, 2013. Subsequently, on March 26, 2014, MCA notified most of the remaining Sections (barring those provisions which require sanction/ confirmation of the National Company Law Tribunal ("Tribunal") such as variation of rights of holders of different classes of shares (Section 48), reduction of share capital (Section 66), compromises, arrangements and amalgamations (Chapter XV), prevention of oppression and mismanagement (Chapter XVI), revival and rehabilitation of sick companies (Chapter XIX), winding up (Chapter XX) and certain other provisions including, inter alia, relating to Investor Education and Protection Fund (Section 125) and valuation by registered valuers (Section 247). However, substantive Sections of the Act which deal with the general working of companies stand notified.

With the coming into force of the Act several regulations of the existing AOA of the Company require alteration or deletions. It is accordingly considered expedient to modify the existing AOA by a new set of Articles.

The new AOA to be substituted in place of the existing AOA is based on Table 'F' of the Act which sets out the model Articles of Association for a Company Limited by Shares.

The proposed new draft AOA is being uploaded on the Company's website for perusal of the shareholders.

None of the Directors, Key Managerial Personnel of the Company or their relatives, is concerned or interested, financial or otherwise, in the resolution set out at Item No. 6.

The Board commends the Resolution for approval of the members.

**By Order of the Board
For Escorts Finance Limited**

**Place: Faridabad
Dated: August 12, 2014**

Sd/-
**Vicky Chauhan
Company Secretary**

DIRECTORS' REPORT



Your Directors are pleased to present the Twenty Sixth Annual Report, together with the Audited Accounts of the Company for the financial year ended March 31, 2014 and the Auditors' Report thereon.

Financial Results

(Rs. In Lacs)

Particulars	Financial Year ended March 31, 2014	Financial Year ended March 31, 2013
Gross Income	73.07	47.48
Profit/ (Loss) before write off, provisions & tax	12.56	(57.27)
Tax adjustment for earlier years	-	-
Profit/ (Loss) after Tax	12.56	(57.27)

The Gross Income comprises of amount(s) received on recovery of delinquent assets through settlement/ compromise/ legal action.

Dividend

In order to conserve the resources of the Company, no dividend has been considered for the year.

Public Deposits

An amount of Rs. 141.35 Lacs has been paid to the Fixed Deposit holders during the financial year ended March 31, 2014. As on the said date, there is an unclaimed/ unpaid fixed deposit liability of Rs. 1,606.08 Lacs.

Management Discussion and Analysis

(i) Industry Structure and Development

Non Banking Finance Companies (NBFC) sector in India is represented by a mix of a few large companies with nationwide presence and a few small and medium sized companies with regional focus, primarily engaged in hire purchase financing, investments, corporate loans, IPO funding, venture capital and other non-fund based activities. The Reserve Bank of India (RBI) regulates and supervises these NBFCs.

(ii) Opportunities and Threats

The NBFCs are facing stiff competition from Banks and Financial Institutions (FII), due to the ability of Banks & FII's to raise low cost funds which enables them to provide funds at more favorable rates. More stringent capital adequacy norms have been stipulated by RBI for NBFCs which results in inability to give cheaper finance.

(iii) Segment-wise or Product-wise Performance

The Company had been primarily engaged in the business of hire purchase, leasing, bill discounting and non-fund based activities. Since the risk and returns in these businesses are similar, therefore, these are grouped as a single segment. This is in accordance with the guiding principle provided in the Accounting Standard on Segment Reporting (AS- 17) issued by The Institute of Chartered Accountants of India.

(iv) Future Outlook

As the substantial liability towards outstanding fixed deposit stands liquidated under the Scheme of Arrangement and Compromise filed before the Hon'ble Delhi High Court and for the balance liability funds have been earmarked and kept aside in a Trust as per the earlier direction of Hon'ble Court, the Company would now look into the possibility of the expansion of existing businesses and entry into new areas would also be considered.

Your Company sees opportunities in these business areas based on the expected growth rate of the economy and in particular the confirmed growth rate in the construction, infrastructure and agricultural areas which are your Company's areas of competence and involvement.

(v) Risks and Concerns

High interest regime in the economy may act as a dampener in the business of financing. There is also stiff competition with entry of larger players in the market.

(vi) Internal Control Systems and their adequacy

The Internal Control Systems are in place to serve the existing operations of the Company.

**(vii) Financial Performance**

The profit for the year after write offs/ provisions etc. and tax amounts to Rs. 12.56 Lacs. The total accumulated losses at the end of the financial year 2013-14 amounted to Rs. 25,542.62 Lacs.

(viii) Human Resource and Industrial Relations

The Company is having three employees as on the date of this report. Your Directors relation at all levels with employees were cordial.

Cautionary Statement

Statements in this Management Discussion and Analysis section describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations are significant changes in political and economic environment in India, tax laws, RBI regulations, exchange rate fluctuation and related costs.

Directors

In terms of the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Pritam Narang, Director retires by rotation at the ensuing Annual General Meeting of your Company, and being eligible, offers himself for re-appointment.

Pursuant to the provisions of Section 149 of the Companies Act, 2013, your Directors are seeking appointment of Mr. Rochak Puri and Ms. Preeti Chauhan as Independent Directors for a period of 3 years. The Company has received requisite notices in writing from members proposing the candidatures of Mr. Rochak Puri and Ms. Preeti Chauhan for appointment as Independent Directors.

Your Directors recommend the appointment/ re-appointment of the above said Directors at the ensuing Annual General Meeting.

Corporate Governance

Your Company reaffirms its commitment to good corporate governance practices and has adopted the Code of Conduct which has set out the systems, processes and policy conforming to established standards. Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, the Corporate Governance Report and Auditors' Certificate regarding compliance of conditions of Corporate Governance are enclosed as Annexure - A and forms an integral part of this Report.

Auditors

M/s. N. M. Raiji & Co., Chartered Accountants, Delhi (Firm Registration No. 108296W), Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

The Company has received communication from M/s. N. M. Raiji & Co., Chartered Accountants to the effect that their appointment, if made, would be within the prescribed limits as specified under Section 139 of the Companies Act, 2013 and that they are not disqualified for such appointment within the meaning of Section 141 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules 2014.

Auditors Qualifications/ Observations and Management Comments thereon

The qualifications/ observations made by the Statutory Auditors in the Auditors' Report are dealt with separately in the Notes to the Balance Sheet and the Statement of Profit and Loss. Management response to the same is as under:

Note 25: Complete facts have been disclosed in the note which is self-explanatory and do not call for any further comments.

Note 29: Provision for dividend on preference share could not be made in view of substantial accumulated losses from earlier year.

Note 30: The Company had only three employees on its rolls at the end of the financial year. The gratuity liability is being provided on actual basis as per the provisions of Payment of Gratuity Act, 1972. Similarly, leave encashment liability is also provided on actual basis. The management feels that provision on actual basis is more prudent than the actuarial estimate in view of the number of employees.



Directors' Responsibility Statement

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed that:

1. in the preparation of the Annual Accounts for the financial year ended on March 31, 2014, the applicable Accounting Standards have been followed alongwith proper explanation relating to material departures;
2. the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2014 and of the profit of the Company for the year under review;
3. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
4. the Directors had prepared the annual accounts for the financial year ended on March 31, 2014 on a 'going concern' basis.

Particulars of Employees

None of the employees of your Company is in receipt of remuneration requiring disclosure pursuant to the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975; hence no such particulars are annexed.

Information under Section 217(1)(E) of the Companies Act, 1956

I. Conservation of Energy

Your Company being engaged in financing business does not undertake any activity relating to conservation of energy.

II. Research & Development (R&D)

Specific R&D Activities: There is no Research and Development activity in the Company.

Benefits derived as a result of above R&D: **N.A.**

Future Plan of Action: **NIL**

Expenditure on R & D : **NIL**

III. Technology Absorption, Adaptation and Innovation:

Efforts in brief made towards Technology absorption etc.: **NIL**

Benefits derived as a result of above: **N.A.**

Technology imported, years of Import, Has technology been fully absorbed? If not fully absorbed, areas where this has not taken place, reasons therefor and future plans of action: **N.A.**

IV. Foreign exchange earnings and outgo

During the period under review, there was no foreign exchange outflow from your Company and it had no foreign exchange earnings.

Acknowledgement

Your Directors wish to acknowledge and thank the co-operation and assistance extended by the Banks, Financial Institutions, Government Agencies, Customers and Depositors.

The Directors also wish to convey their deep appreciation for the contribution made by the employees to the operations of the Company, in particular those who have continued with the Company and extended their full support during this difficult period. We also convey our thanks to our esteemed shareholders for their continued support and encouragement.

For and on behalf of the Board of Directors

Place: Faridabad
Dated: August 12, 2014

Sd/-
Inder Mohan Sakhuja
Chairman