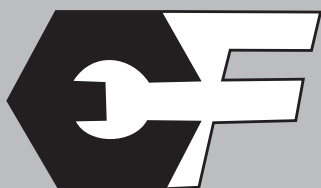




27<sup>th</sup>

# **ANNUAL REPORT**

**2014-2015**



**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

### **Statutory Auditors**

M/s N. M. Raiji & Co.

### **Secretarial Auditors**

M/s Jayant Gupta & Associates

### **Internal Auditors**

M/s Jain Aarushi & Associates

### **Registered Office**

SCO – 198-200, Second Floor,  
Sector – 34A, Chandigarh – 160 022

**CIN:** L65910CH1987PLC033652



### **NOTICE**

Notice is hereby given that the **Twenty Seventh Annual General Meeting (AGM)** of Escorts Finance Limited will be held on **Tuesday, September 29, 2015 at 3.00 P.M.** at Hotel K C Residency, SCO 377- 380, Sector – 35 B, Chandigarh – 160 035 to transact the following business:

#### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2015, the reports of the Board of Directors and Auditors' thereon.
2. To appoint a Director in place of Mr. Inder Mohan Sakhuja (DIN : 02260703) who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration and in this regard, to consider and if thought fit, to pass the following resolution as an "Ordinary Resolution":

**"Resolved That** M/s N. M. Rajji & Co., Chartered Accountants (Firm Registration No. 108296W), be and are hereby appointed as Statutory Auditors of the Company for the financial year 2015-16 and to hold office from the conclusion of the next Annual General Meeting of the Company at such remuneration as shall be fixed by the Board of Directors of the Company."

#### **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 AT THE REGISTERED OFFICE OF THE COMPANY DULY COMPLETED AND SIGNED ATLEAST 48 HOURS BEFORE THE COMMENCEMENT OF THE AGM.**

**A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.**

- 2) A copy of Annual Report containing Audited Financial Statements for the financial year ended March 31, 2015 together with the reports of the Board of Directors and Auditors' thereon are enclosed. Members are requested to bring their copy of Annual Report at the AGM.
- 3) **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.  
Recognising 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 e-mail address as registered with the Company/ your depositories. We request you to update your e-mail address with your Depositories Participant(s) to ensure that the Annual Report and other documents reach you on preferred e-mail address and the shareholders holding shares in physical mode may inform their e-mail address to the Company.
- 4) The Register of Members and Share Transfer Books of the Company will remain closed from September 22, 2015 to September 29, 2015 (both days inclusive).
- 5) Shareholders/ Proxy holders are requested to produce attached attendance slip duly completed and signed, at the shareholder registration counter of the AGM hall.
- 6) 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  
1E/13, Jhandewalan Extension,  
New Delhi – 110 055  
Tel.- +91-11-42541953  
Fax: +91-11-23552001  
E-mail id: [rta@alankit.com](mailto:rta@alankit.com)

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



- 7) 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. (NSDL) and Central Depository Services (India) Ltd. (CDSL) for the same. Interested members may opt to convert physical shares of the Company in electronic mode after sending request for dematerialisation through their Depository Participant.
- 8) 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).
- 9) 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 **Nomination Form SH-13** to Alankit RTA. This form is also available on the Company's website **[www.escortsfinance.com](http://www.escortsfinance.com)**.
- 10) Please send all correspondence including requests for transfer/ transmission of shares & change of address etc. to Alankit RTA.
- 11) 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.
- 12) Members who have not yet paid their "Allotment Money" are advised to send the same alongwith 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.
- 13) Pursuant to the requirements of the Listing Agreement with the Stock Exchange 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.
- 14) Electronic copy of the Notice of AGM 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 e-mail 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 e-mail address, physical copies of the Notice is being sent in the permitted mode.
- 15) Members may note that the Notice of the AGM and the Annual Report for the financial year ended on March 31, 2015 will also be available on the Company's website **[www.escortsfinance.com](http://www.escortsfinance.com)**. The physical copies of the aforesaid documents alongwith 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 3.00 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 e-mail id **[escortsfinance@escorts.co.in](mailto:escortsfinance@escorts.co.in)**.
- 16) **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 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and the revised Clause 35B of the Listing Agreement, the Company is pleased to provide to Members facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means i.e. Remote e-voting. The Company has appointed CDSL as the Authorised Agency to provide Remote e-voting facility for casting the votes by the members using an electronic voting system from a place other than venue of AGM ("Remote e-voting").
  - II. The facility for voting through Ballot Paper shall be made available at the venue of AGM and the Members who have not cast their vote by Remote e-voting shall be eligible to exercise their right at the AGM through Ballot Paper.
  - III. The Members who have already cast their votes by Remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again. It is hereby clarified that it is not mandatory for a Member to vote using the Remote e-voting facility.



IV. The process and manner for Remote e-voting are as under:

**Instruction for Voting:-**

- A. In case of members receiving e-mail:
  - i. Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during Remote e-voting period.
  - ii. Click on "Shareholders" tab.
  - iii. Now, select the Electronic Voting Sequence Number – "EVSN" 150813003 along with "Escorts Finance Limited" from the drop down menu and click on "SUBMIT".
  - 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](http://www.evotingindia.com) and voted 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 no. of shares held by you as on September 22, 2015 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 EVSN 150813003 for Escorts Finance Ltd.
- xii. On the voting page, you will see Resolution Description and against the same the option YES/ NO for voting. Select your desired option. 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 printout 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 **[www.evotingindia.com](http://www.evotingindia.com)** 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 AGM Notice** {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 your vote.
- V. 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](http://www.evotingindia.com)** under help section or write an email to **[helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)**.
- VI. The e-voting period commences on **Saturday, September 26, 2015 (9:00 am IST) and ends on Monday, September 28, 2015 (5:00 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. September 22, 2015**, may cast their vote electronically. The Name of Escorts Finance Limited shall be disabled by CDSL for voting thereafter from their e-voting module.
- VII. 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. **September 22, 2015**.
- VIII. **Members can opt for only one mode of voting i.e.** either by Remote e-voting or physically at the AGM venue through Ballot Paper. In case you are opting for Remote 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.
- IX. Mr. Jayant Gupta, Practicing Company Secretary (Membership No. F7288) has been appointed as the Scrutinizer to scrutinize the voting process in a fair and transparent manner.
- X. The Scrutinizer shall, after the conclusion of voting at the AGM, will first count the votes cast at the meeting and there after unblock the votes cast through Remote e-voting in the presence of at least 2 (two) witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of AGM, a Consolidated Scrutinizer's Report of the total votes cast in favour or against, (if any), to the Chairman of the Company or a person authorised by him in writing, who shall counter sign the same and declare the results of the voting forthwith.
- XI. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website **[www.escortsfinance.com](http://www.escortsfinance.com)** and on the website of CDSL at **[www.evotingindia.com](http://www.evotingindia.com)** immediately after the result is declared by the Chairman. The Company shall also simultaneously forward the results to BSE Limited where its shares are listed.
- 17) 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 13, 2015**

Sd/-  
**Vicky Chauhan  
Company Secretary**



Your Directors are pleased to present the Twenty Seventh Annual Report, together with the Audited Accounts of the Company for the financial year ended March 31, 2015 and the Auditors' Report thereon.

**Financial Results**
**(Rs. In Lacs)**

Particulars	Financial Year ended March 31, 2015	Financial Year ended March 31, 2014
Gross Income	<b>43.21</b>	<b>73.07</b>
Profit/ (Loss) before write off, provisions & tax	<b>(8.68)</b>	<b>12.56</b>
Tax adjustment for earlier years	-	-
Profit/ (Loss) after Tax	<b>(8.68)</b>	<b>12.56</b>

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

**Dividend**

In view of losses suffered by the Company, no dividend has been considered for the year.

**Public Deposits**

An amount of Rs. 248.68 Lacs has been paid to the Fixed Deposit holders during the financial year ended March 31, 2015. As on the said date, there is an unclaimed/ unpaid fixed deposit liability of Rs. 1357.40 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, 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 also resulted into their inability to give cheaper finance.

**(iii) Segment-wise or Product-wise Performance**

The Company has 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, they 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**

The Company is presently engaged in recovery of delinquent loan assets and settlement of old legal cases filed by/ against the Company. Application made to RBI for deregistration as NBFC is pending, however, certificate of registration has been surrendered. Pending completion of deregistration formalities and recovery of loan assets, the possibilities of venturing into newer business areas shall be examined subsequently.

**(v) Risks and Concerns**

High interest regime in the economy may act as a dampener for the financing business. There is also stiff competition due to entry of large 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 loss for the year after write offs/ provisions etc. and tax amounts to Rs. 8.68 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. Inder Mohan Sakhuja, Director retires by rotation at the ensuing Annual General Meeting of your Company, and being eligible, offers himself for re-appointment.

Your Directors recommend the re-appointment of Mr. Inder Mohan Sakhuja at the ensuing Annual General Meeting.

The policy for Appointment and Remuneration of Director's, Key Managerial Personnel and Other Employees is attached as **Annexure – A** and forms an integral part of this report.

The Company has devised the criteria for performance evaluation of Independent Directors, Board, Committees and other individual Directors which includes criteria for performance evaluation of the non-executive directors. An evaluation was done by the Board for its own performance and that of its Committees and individual Directors.

## **Corporate Governance**

Your Company reaffirms its commitment to the 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 – B** and forms an integral part of this Report.

## **Auditors**

M/s. N.M. Rajji & 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 letter from M/s. N.M. Rajji & 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 shares 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.



Management responses to the observations made by the Secretarial Auditors in the Secretarial Audit Report are dealt as under:

- a) Please refer to note 25 of the Notes to Accounts forming part of Balance Sheet which is self-explanatory and does not call for any further comments.
- b) The Company filed all its RBI returns and forms with provisional figures within prescribed time and thereafter, audited numbers were filed with the RBI post audit.

### **Directors' Responsibility Statement**

Pursuant to the requirement under Section 134(5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- (i) in the preparation of the annual accounts for the year ended March 31, 2015, the applicable accounting standards had been followed alongwith proper explanation relating to material departures;
- (ii) the Directors had selected such accounting policies and applied them consistently and made judgments 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, 2015 and of the loss of the Company for the year under review;
- (iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the Directors had prepared the annual accounts for financial year ended March 31, 2015 on a 'going concern' basis;
- (v) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- (vi) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **Particulars of Employees**

None of the employees of your Company is in receipt of remuneration requiring disclosure pursuant to the provisions of Section 197(12) of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014; hence no such particulars are annexed.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as **Annexure – C** and forms an integral part of this Report.

### **Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo**

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under Section 134(3)(m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are as follows:-

#### **I. Conservation of Energy**

Your Company being engaged in financing business and does not have 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.



## **Disclosures**

### **Meetings of the Board**

Four meetings of the Board of Directors were held during the year. For further details, please refer Report on Corporate Governance annexed as **Annexure – B** to this report.

### **Extracts of Annual Return**

In terms of provisions of Section 92 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the extracts of Annual Return in Form MGT-9 is enclosed as **Annexure – D** and forms an integral part of this Report.

### **Particulars of Loans given, Investments made, Guarantees given and Securities provided**

During the year under review, no loan, investment, guarantees and securities has been provided.

### **Contracts and Arrangements with Related Parties**

No contract/ arrangements/ transactions were entered by the Company during the financial year with related parties. During the year, the Company had not entered into any contract/ arrangement/ transaction with related parties which could be considered material in accordance with the policy of the Company on the materiality of related party transactions. The particulars of contracts and arrangement with related parties under section 188(1) in Form AOC-2 is enclosed as **Annexure–E**.

The Policy on materiality of related party transactions and dealing with related party transactions as provided by the Board may be accesses on the Company's website [www.escortsfinance.com](http://www.escortsfinance.com) under Investor Information.

Your Directors draw attention of the members to Note 32 to the financial statement which sets out related party disclosures.

### **Secretarial Auditors**

The Board of Directors of the Company has appointed M/s Jayant Gupta and Associates, Practicing Company Secretaries to conduct secretarial audit of the Company for the financial year 2014-15. The Secretarial Audit Report for the financial year ended March 31, 2015 is enclosed as **Annexure – F** and forms an integral part of this Report.

The observations and comments given by the Secretarial Auditors in their report are self-explanatory and hence, do not call for any further comments under Section 204(3) of the Companies Act, 2013.

### **Internal Financial Controls**

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

### **Risk Management**

During the year, your Directors have constituted a Risk Management Committee which has been entrusted with the responsibility to assist the Board in (a) overseeing and approving the Company's enterprise wide risk management framework; and (b) Overseeing that all the risks that the organisation faces such as strategic, financial, credit, market, liquidity, legal, regulatory and other risks have been identified and assessed and there is an adequate risk management infrastructure in place capable of addressing those risks. The Risk Management Policy was reviewed and approved by the Committee.

### **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 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 13, 2015**

Sd/-  
**Inder Mohan Sakhuja**  
**Chairman**