



I. Company's Philosophy on Corporate Governance

Corporate Governance may be defined as a set of systems, processes and principles, which ensure that a Company is governed in the best interest of all stakeholders. It is the system that directs and controls respective companies. It is about promoting corporate fairness, transparency and accountability. In other words, 'Good Corporate Governance' is simply 'good business'.

In India, the question of Corporate Governance has emerged mainly in the wake of economic liberalisation and deregularisation of industry and business. The objective of any Corporate Governance system is to simultaneously improve corporate performance and accountability. These, in turn, help to attract financial and human resources on the best possible terms and prevent corporate failure.

Corporate Governance consists of procedures and processes, according to which an organisation is directed and controlled. Its structure specifies the distribution of rights and responsibilities among different pan-organisational participants, such as the Board, managers, shareholders and other stakeholders. The system helps to lay down the rules and procedures for decision making.

The objective of Good Corporate Governance is to ensure the Board's commitment towards transparent management to maximise long-term value for the Company's shareholders and other partners. It integrates all the participants involved in a process, which is economic and at the same time, social.

A well-defined and enforced Corporate Governance benefits everyone concerned by ensuring that the enterprise adheres to accepted ethical standards and best practices, as well as to applicable laws.

Corporate Governance goes beyond the practices enshrined in the laws and is imbibed in the basic business ethics and values that needs to be adhered to in letter and spirit. However a transparent, ethical and responsible Corporate Governance framework essentially emanates from the intrinsic will and passion for good governance ingrained in the organisation.

Good Corporate Governance practices are also essential for a sustainable business model for generating long term value for all its stakeholders.

At Escorts Finance Limited, Corporate Governance practices aim to adhere to the highest governance standards through continuous evaluation and benchmarking.

II. Board of Directors

(i) Composition and Category of Directors

The composition of the board is in conformity with Clause 49 of the Listing Agreement as amended from time to time. The Board of Directors alongwith its Committees provide leadership and guidance to the Company's management and direct, supervises and controls the performance of the Company. As on March 31, 2014, the Company's Board comprised of four (4) Directors out of which two (2) are Independent Non-Executive Directors. Chairman of the Board is a non-executive Director. All Independent Non-Executive Directors are compliant with the requirements of the Listing Agreement for being an Independent Director and have confirmed that they meet the 'Independence' criteria as mentioned under Clause 49 of the Listing Agreement.

As mandated by Clause 49, the Independent Directors on the Board of the Company:

- apart from receiving Director's remuneration, do not have any material pecuniary relationships or transactions with the Company, its Promoters, its Directors, its Senior Management or its Holding Company, its Subsidiaries and Associates, which may affect the independence of the Director.
- are not related to promoters or persons occupying management positions at the Board level or at one level below the Board.
- have not been an executive of the Company in the immediately preceding 3 financial years.
- are not Partners or Executives or were not Partners or Executives during the preceding three financial years of the:
 - a) Statutory Audit firm or the Internal Audit firm associated with the Company.
 - b) Legal firm(s) and Consulting firm(s) having material association with the Company.
- are not material suppliers, service providers or customers or lessors or lessees of the Company, which may affect independence of the Director.



- are not substantial shareholders of the Company, i.e. do not own 2% or more of the Paid-up capital of the Company.
- are not less than 21 years of age.

The details of Directors with regard to their directorships and committee positions are as follows:

Name	Designation	Category	No. of Board meetings attended during the year	Whether attended the last AGM	No. of Directorships in Public Companies*	Committee Positions held**	
						Member-ship	Chairman-ship
Mr. Inder Mohan Sakhuja	Chairman	Non-Executive & Non Independent	4	No	1	NIL	NIL
Mr. Pritam Narang	Director	Non-Executive & Non Independent	4	Yes	2	NIL	NIL
Mr. Rochak Puri	Director	Non-Executive & Independent	4	Yes	1	NIL	NIL
Ms. Preeti Chauhan	Director	Non-Executive & Independent	4	No	1	NIL	NIL

* Including Escorts Finance Limited.

** In accordance with Clause 49, Membership/ Chairmanship of Audit Committee and Shareholders'/ Investors' Grievance Committee in all Public Limited Companies (excluding Escorts Finance Limited) have been considered.

Note: 1) None of the Directors is representing a Lender or Equity Investor.

2) None of the Directors hold any shares in the Company.

(ii) Board Meetings

During the year ended on March 31, 2014 the Board of Directors met four (4) times on May 27, 2013, August 12, 2013, November 13, 2013 and February 11, 2014.

The gap between any two Board meetings did not exceed four months.

(iii) Code of Conduct

The Company has adopted a Code of Conduct for Directors and Senior Management of the Company. The Code has been circulated to all the members of the Board and Senior Management and the same is available on the Company's website: www.escortsfinance.com.

The Board members and Senior Management personnel of the Company have affirmed their compliance with the code. A declaration to this effect signed by the Chief Executive Officer of the Company is contained hereinafter in this Report.

Declaration by C.E.O.

The Board of Directors,
Escorts Finance Limited

Dear Sir,

I hereby confirm that:

The Company has received from the members of the Board and Senior Management, a declaration of Compliance with the Code of Conduct for Directors and Senior Management during the Financial Year ended on March 31, 2014.

Place: Faridabad

Dated: August 12, 2014

Sd/-
P.K. Marwah
Manager



III. Audit Committee

(i) Constitution

As on March 31, 2014 the Audit Committee comprises of the following Directors:

Director	Designation	Category
Mr. Rochak Puri	Chairman	Non-Executive Independent Director
Ms. Preeti Chauhan	Member	Non-Executive Independent Director
Mr. Pritam Narang	Member	Non-Executive Non Independent Director

All the members of the Audit Committee have accounting, economic and financial management expertise. The composition of the Audit Committee meets with requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

The Audit Committee assists the Board in its responsibility to oversee the quality and integrity of the accounting, auditing & reporting practices of the Company and its compliance with the legal & regulatory requirements. The Committee's purpose is to oversee the accounting and financial reporting statements, the appointment, independence, performance and remuneration of the Statutory Auditors, including the Cost Auditors and the performance of Internal Auditors of the Company.

(ii) Terms of Reference

The Charter of the Committee is as prescribed under Section 292A of the Companies Act, 1956 read with Clause 49 of the Listing Agreement viz.:

1. Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, reappointment and, if required, the replacement or removal of the Statutory Auditors and fixation of audit fees.
3. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
4. Reviewing, with the Management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Directors' Responsibility Statement forming part of Board's Report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956.
 - b. Changes, if any, in accounting policies & practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by Management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of any related party transactions.
 - g. Qualifications in the draft audit report.
5. Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing, with the Management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.
7. Reviewing, with the Management, performance of Statutory & Internal Auditors and adequacy of the internal control systems.



8. Reviewing and monitoring the Auditors independence & performance and effectiveness of audit process.
9. Approval or any subsequent modification of transactions of the Company with related parties.
10. Scrutiny of inter-corporate loans and investments.
11. Valuation of undertakings or assets of the Company, wherever necessary.
12. Evaluation of internal financial controls and risk management systems.
13. Reviewing the adequacy of internal audit function, if any, including the structure of internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
14. Discussion with Internal Auditors of any significant findings and follow-up thereon.
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
16. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
17. Investigating the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
18. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
19. Approving the appointment of Chief Financial Officer (i.e., the Wholetime Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background etc. of the candidate.
20. Reviewing any changes in the accounting policies or practices as compared to the last completed financial year and commenting on any deviation from the Accounting Standards.
21. Carrying out any other function as may be referred to the committee by the Company's Board of Directors and/ or other Committees of Directors of the Company from time to time.
22. Recommending to the Board, the terms of appointment, reappointment and, if required, the replacement or removal of the Cost Auditors.
23. The Company has systems and procedures in place to ensure that the Audit Committee immediately reviews:
 - a. Management discussion and analysis of financial condition and results of operations;
 - b. Management letters/ letters of internal control weaknesses issued by the Statutory Auditors;
 - c. Internal audit reports relating to internal control weaknesses, if any;
 - d. Appointment, removal and terms of remuneration of the Internal Auditor;
 - e. The Financial Statements, in particular, the investments made by the unlisted subsidiaries of the Company, in view of the requirements under Clause 49;
 - f. Details of material individual transactions with related parties, which are not in the normal course of business; and
 - g. Details of material individual transactions with related parties or others, if any, which are not on arm's length basis, along with management's justification for the same.

The Audit Committee is endowed with the following powers:

- a. To investigate any activity within its terms of reference.
- b. To seek information from any employee.
- c. To obtain outside legal or other professional advice.
- d. To secure attendance of outsiders with relevant expertise, if it considers necessary.
- e. To invite such of the executives, as it considers appropriate (and particularly the head of the finance) to be present at the meetings of the Committee.



(iii) Meeting & Attendance

During the financial year 2013 -14, Audit Committee met four (4) times on May 27, 2013, August 12, 2013, November 13, 2013 and February 11, 2014.

The details of members' attendance at the Audit Committee Meetings are as follows:

Name of Member	Number of meeting	
	Held	Attended
Mr. Rochak Puri (Chairman)	4	4
Ms. Preeti Chauhan	4	4
Mr. Pritam Narang	4	4

Mr. Vicky Chauhan, Company Secretary is acting as Secretary to the Audit Committee. Annual General Meeting held on Friday, September 20, 2013 was attended by the Chairman of the Committee Mr. Rochak Puri, to answer shareholders query.

IV. Remuneration Committee

There is no remuneration committee of Directors constituted in the Company.

(i) Remuneration of Directors

The Company has not paid any remuneration to any of its Directors, except sitting fees for attending Board and Audit Committee Meetings for which Rs. 2,000 per meeting had been paid.

The details of sitting fees paid to Directors during the period April 1, 2013 to March 31, 2014 are as under:

S.No.	Name of Member	Relationship with other Directors	Sitting Fees (in Rs.)
1.	Mr. Inder Mohan Sakhuja	*	8,000
2.	Mr. Pritam Narang	*	16,000
3.	Mr. Rochak Puri	*	16,000
4.	Ms. Preeti Chauhan	*	16,000
Total			56,000

* None of the Directors are related to any other Director.

(ii) Shareholding of Non-Executive Directors of the Company

As on March 31, 2014, none of the Directors of the Company held any share in the Company.

V. Shareholders' Grievance Committee

(i) Constitution

The Shareholders' Grievance Committee comprises of the following Directors:

Name of Member	Designation	Category
Mr. Rochak Puri	Chairman	Non-Executive Independent Director
Mr. Inder Mohan Sakhuja	Member	Non-Executive Non Independent Director
Mr. Pritam Narang	Member	Non-Executive Non Independent Director

(ii) Terms of Reference

The Committee looks to redress Shareholders' complaints relating to delay in share transfer, demat/ remat of shares, issue of duplicate shares, non-receipt of Annual Report, non-receipt of dividends etc.

(iii) Meetings and Attendance

During the financial year 2013-14, 4 (Four) meetings of the Shareholders' Grievance Committee were held on May 27, 2013, August 12, 2013, November 13, 2013, February 11, 2014.



The details of members' attendance at the Shareholders' Grievance Committee Meetings are as follows:

Name of Member	Number of meeting	
	Held	Attended
Mr. Rochak Puri	4	4
Mr. Inder Mohan Sakhuja	4	4
Mr. Pritam Narang	4	4

(iv) Compliance Officer

Mr. Vicky Chauhan, Company Secretary is acting as the Compliance Officer of the Company as per the requirements of the Listing Agreement.

(v) Manager

Mr. P. K. Marwah is the Manager of the Company as per Section 269 of the Companies Act, 1956.

(vi) Complaints received/ resolved

During the year under review, six (6) complaints were received from investors, which were replied/ resolved to the satisfaction of the investors. No complaint(s) are pending for redressal for the year 2013-14 as on the date of this report.

(vii) Pending Share Transfer

No request for transfer and/ or dematerialization was pending for redressal as on March 31, 2014.

VI. Functional Committee

The Board is authorised to constitute one or more functional committees delegating thereto powers and duties with respect to specific purposes. Meeting of such committees are held, as and when the need arises. Time schedule for holding such functional committee meetings are finalised in consultation with the Committee members.

Procedure of Committee Meetings

The Company's guidelines relating to Board Meetings are applicable to Committee Meetings, as far as may be practicable. Each Committee has the authority to engage outside experts, advisors and counsels, to the extent it considers appropriate, to assist in its work. Minutes of the proceedings of the Committee Meetings are placed before the Board Meeting for perusal and noting.

VII. GENERAL BODY MEETINGS

Location, day and time of Annual General Meetings held during the last three years and special resolution passed thereat are given below:

Financial Year	Venue	Date	Time	No. of Special Resolution passed at AGM
2012 - 13	Hotel KC Residency, SCO-377-380, Sector-35B, Chandigarh-160022	Friday , September 20, 2013	3:00 P.M.	None
2011-12	Hotel KC Residency, SCO-377-380, Sector-35B, Chandigarh-160022	Friday, September 28, 2012	3:00 P.M.	None
2010-11	The Executive Club', 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi – 110074	Friday, July 15, 2011	4.00 P.M.	One

Special Resolution passed through Postal Ballot

During the financial year 2013-14, the Company has not passed any Special Resolution through Postal Ballot.

None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through Postal Ballot.



VIII. DISCLOSURES

- a. There are no materially significant related party transactions of the Company which have potential conflict with the interests of the Company at large.
- b. Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years:

The Company has complied with the statutory rules and regulations of SEBI and Stock Exchanges. However, the Company has not been able to comply with the Prudential Norms Direction relating to maintenance of liquid assets and Capital Adequacy Ratio, provision for doubtful trade receivable and advances as required by the Reserve Bank of India's Rules and Regulations.

- c. Whistle Blower policy and affirmation that no personnel has been denied access to the Audit Committee:

The Company has not adopted any Whistle Blower policy. However, no person has been denied access to the Audit Committee.

- d. Details of the compliance with mandatory requirements of Clause 49:

The details of mandatory requirements are mentioned in this Report.

IX. Means of Communication

Key Financial reporting dates during the financial year 2013-14

The Company has published its Financial results in the following national newspapers:

- For Quarter ended 30.06.13: Financial Express (English), Jansatta (Hindi).
- For Quarter ended 30.09.13: Financial Express (English), Jansatta (Hindi).
- For Quarter ended 31.12.13: Financial Express (English), Jansatta (Hindi).
- For Year ended 31.03.14: Financial Express (English), Jansatta (Hindi).

The Quarterly Results were displayed on Company's website viz. www.escortsfinance.com in accordance with the requirement of Listing Agreement.

X. General Shareholder Information

(i) Company Registration Details

The Company is registered in the State of Haryana, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L65910CH1987PLC033652.

(ii) Annual General Meeting

Day & Date : Friday, September 26, 2014
Time : 3:00 P.M.
Venue : Hotel KC Residency,
SCO 377-380, Sector – 35B,
Chandigarh – 160 035

(iii) Financial year: April 1 to March 31

(iv) Appointment/ Reappointment of Directors

In accordance with the provisions of Companies Act, 1956 and 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 brief resume(s) and other details relating to the Director(s) who are proposed to be appointed/ re-appointed, as required to be disclosed under Clause 49 of the Listing Agreement are provided as under:

Name	Pritam Narang	Rochak Puri	Preeti Chauhan
DIN	00982418	00042536	06567695
Qualification	B.Com (Hons) from Delhi University, M.Com from Rajasthan University, Intermediate (Group – 1) of ICWA	B.Com (Hons) from Delhi University, Member of ICSI, Intermediate of ICWA	Graduate from Delhi University, M.Com in Business Policy and Corporate Governance from IGNOU and Member of ICSI
Area of Expertise	Mr. Narang is having Experience in Accounts & Finance, Export & Import, Third Country International Trade, Corporate Aviation Management, Corporate Administration, Projects, travel trade. He is also governing Board member of Business Aircraft Operator Association.	Mr. Puri is a Financial Planner and Consultants, regular speaker in International conferences and active and dynamic participant in Workshops/ seminars on human technology at both domestic and International Platforms.	Ms. Preeti Chauhan is having experience in Secretarial, Legal, Finance and accounts.
Other Directorships	1. Escorts Consumer Credit Limited 2. Sumatri Bima and Distributors Private Limited	NIL	NIL
Committee Memberships	Escorts Finance Limited <ul style="list-style-type: none"> • Audit Committee – Member • Shareholders' Grievance Committee – Member • Share Transfer Committee – Member • Committee of Banking & Legal Matters – Member 	Escorts Finance Limited <ul style="list-style-type: none"> • Audit Committee - Chairman • Shareholders' Grievance Committee - Chairman • Share Transfer Committee - Member • Committee of Banking & Legal Matters - Member 	Escorts Finance Limited <ul style="list-style-type: none"> • Audit Committee - Member

(v) Financial Calendar 2014-15 (tentative)

Meetings of Board/ Committee thereof to take on record:

Financial results for quarter ended June 30, 2014	:	By August 14, 2014
Financial results for quarter ended September 30, 2014	:	By November 14, 2014
Financial results for quarter ended December 31, 2014	:	By February 14, 2015
Financial results for quarter ended March 31, 2015	:	By May 15, 2015

If unaudited quarterly results or alternatively by May 30, 2015, in case of audited results for the year.

(vi) Annual General Meeting for the Financial Year ending March, 2015: By September 30, 2015.

(vii) Book Closure

The members register will be closed from September 13, 2014 to September 26, 2014 (both days inclusive) for the purpose of Annual General Meeting.

**(viii) Dividend**

The Board does not recommend any dividend for the year.

(ix) Cut-off Date for e-voting

August 22, 2014 has been fixed as the cut-off date to record entitlement of the shareholder to cast their vote electronically.

(x) Listing:

The Securities of the Company are listed on the following Stock Exchange:

Stock Exchange	Stock Code
BSE Limited	511716
Demat ISIN no. in NSDL & CDSL	INE359A01012

The Company has paid the Annual Listing Fees till date.

(xi) Registrar & Share Transfer Agent

In terms of SEBI circular dated December 27, 2002, the share transfer work in both physical as well as electronic has been carried on by Alankit Assignments Ltd., Category I Registrar and Transfer Agents having office at Alankit House, 2E/21, Jhandewalan Extension, New Delhi – 110 055.

(xii) Share Transfer System

The Company has appointed Alankit Assignments Ltd. as Share Transfer Agents and all work relating to share transfers is executed by them. The authority relating to share transfer has been delegated to the Share Transfer Committee of the Board of Directors for the approval of Transfer, Transmission, Remat, Split & Consolidation of share certificates etc., which periodically meets to approve the requests of the Investors.

Share Transfer Committee ensures the approval of share transfer/ transmission/ splitting and consolidation of valid request within a period of 15 days from their receipt.

(xiii) Monthly Stock Market Data

Monthly high and low prices (based on daily closing prices) of Company's Shares at BSE for the financial year ended on March 31, 2014 are as follows:

Month	High		Low	
	BSE Sensex	Share price (in Rs.)	BSE Sensex	Share price (in Rs.)
April 2013	19,622.68	3.34	18,144.22	2.73
May 2013	20,443.62	3.50	19,451.26	2.96
June 2013	19,860.19	3.10	18,467.16	2.54
July 2013	20,351.06	3.91	19,126.82	2.69
August 2013	19,569.20	5.19	17,448.71	4.09
September 2013	20,739.69	5.46	18,166.17	4.66
October 2013	21,205.44	5.00	19,264.72	4.45
November 2013	21,321.53	4.40	20,137.67	2.97
December 2013	21,483.74	3.74	20,568.70	2.66
January 2014	21,409.66	4.96	20,343.78	3.40
February 2014	21,140.51	3.48	19,963.12	2.90
March 2014	22,467.21	3.31	20,920.98	2.70



(xiv) Distribution of Shareholding as on March 31, 2014: -

No. of shares	No. of shareholders	No. of shares held	% of Total
Upto 100	20841	1826146	4.537
101 to 500	3248	962579	2.392
501 to 1000	650	556547	1.383
1001 to 5000	462	1074677	2.67
5001 to 10000	70	529654	1.316
10001 to 20000	20	268862	0.668
20001 to 30000	9	231051	0.574
30001 to 40000	2	63989	0.159
40001 to 50000	0	0	0
50001 to 100000	3	216285	0.537
100001 to 500000	1	151322	0.376
500001 and above	8	3436888	85.389
TOTAL	25314	40250000	100.000

(xv) Shareholding Pattern as on March 31, 2014

Category	No. of Share-holders	No. of Shares held	% to the Capital
Promoter & Promoter Group:			
a) Indian	7	28003178	69.573
b) Foreign	NIL	NIL	NIL
Public Shareholding Institutions:			
a) Mutual Funds & UTI	1	200	0.00
b) Banks/ FIs	2	841966	2.092
c) FIs/ VCs etc.	NIL	NIL	NIL
Non Institutions:			
a) Private Bodies Corporate	181	5986605	14.874
b) Indian Public	25107	5400187	13.417
c) NRIs / OCBs etc.	16	17864	0.044
TOTAL	25314	40250000	100.00

(xvi) Dematerialisation

As on March 31, 2014 dematerialised shares accounted for 95.48% (95.46% up to March 31, 2013) of the total equity shares.

(xvii) Outstanding GDRs/ ADRs/ Warrants etc.

The Company has not issued any GDRs / ADRs / Warrants.

(xviii) Plant Location

There are no manufacturing location for the company.



(xix) Address for correspondence: Company Secretary
Escorts Finance Limited
Escorts Corporate Centre
15/5, Mathura Road
Faridabad – 121 003
Tel: (0129) 2564116
Fax: (0129) 2250060

(xx) Registrar and Transfer Agents: Alankit Assignments Limited
Alankit House, 2E/21
Jhandewalan Extension
New Delhi – 110055
Tel.- +91-11-42541953,
23541234, 42541234
Fax: +91-11-23552001
Email-id:- rta@alankit.com,

For and on behalf of the Board of Directors

Place: Faridabad
Dated: August 12, 2014

Sd/-
Inder Mohan Sakhuja
Chairman

CEO/ CFO Certification

The Manager and Chief Financial Officer of the Company certified to the Board on financial reporting and internal controls in terms of Clause 49(V) of the Listing Agreement pertaining to CEO and CFO certification for the financial year ended on March 31, 2014.

To,
The Board of Directors
Escorts Finance Limited

Dear Sir,

We, P. K. Marwah, Manager and Donald Fernandez, Chief Financial Officer certify to the Board of Directors that:

- a. We have reviewed financial statements and the cash flow statement of Escorts Finance Limited for the year ended on March 31, 2014 and to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the financial year which are fraudulent, illegal or violate the Company's Code of Conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to be taken to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit Committee:
 - i. significant changes in internal control over financial reporting during the financial year;
 - ii. significant changes in accounting policies during the financial year and that the same have been disclosed in the notes to the financial statements; and instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Faridabad
Dated: August 12, 2014

Sd/-
Donald Fernandez
Chief Financial Officer

Sd/-
P.K. Marwah
Manager



Auditors' Certificate regarding compliance with the conditions of Corporate Governance under Clause 49 of the Listing Agreement

To the Members

Escorts Finance Limited

We have examined the compliance of conditions of Corporate Governance by Escorts Finance Limited ("the Company") for the year ended on March 31, 2014, as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that in respect of investor grievances received during the financial year ended on March 31, 2014 no investor grievance is pending against the Company for a period exceeding one month as per records maintained by the Company which are presented to the Shareholders/ Investors' Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For N.M. Raiji & Co.
Chartered Accountants
Firm Registration No. 108296W

Sd/-
CA S.N.Shivakumar
Partner
M.No. 88113

Place: Faridabad
Dated: August 12, 2014