

Bansal Gupta & Associates

Chartered Accountants

AUDITORS' REPORT

To the Members of

ESCORTS ASSET MANAGEMENT LIMITED

We have audited the attached Balance Sheet of ESCORTS ASSET MANAGEMENT LIMITED, as at March 31, 2012, the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date annexed there to. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, to the extent applicable, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (ii) In our opinion, the Company has kept proper books of account as required by law so far as appears from our examination of those books.
- (iii) The Balance Sheet, the Statement of Profit & Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
- (iv) In our opinion, the Balance Sheet, the Statement of Profit & Loss and the Cash Flow Statement of the Company dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 to the extent applicable.
- (v) On the basis of written representations received from the directors, as on March 31, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

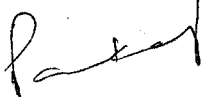
D-59, Chander Nagar, Ghaziabad (U.P.)
Tel. : 0120-4376681 / 82
E-mail : contact@bansalgupta.com



(vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read with significant accounting policies and notes to financial statements give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet of the state of affairs of the Company as at March 31, 2012;
- (b) In the case of the Statement of Profit and Loss, the Loss for the year ended on that date, and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For Bansal Gupta & Associates
Chartered Accountants
Regn.No. 017358N



(PANKAJ GUPTA)
Partner
M. No. 93233



Place: New Delhi

Date: July 25, 2012

**ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE
ON THE ACCOUNTS OF ESCORTS ASSET MANAGEMENT LIMITED FOR THE
YEAR ENDED MARCH 31, 2012**

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All the assets have been physically verified by the management during the year and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the Company has not disposed off a substantial part of its fixed assets during the year.
- (ii) The Company does not have any inventory. Therefore, the provisions of clause 4 (ii) (a), (b) & (c) of the Order, are not applicable
- (iii) (a) According to the information given to us, the Company has not granted any loans, secured or unsecured to companies, firms and other parties covered in the register maintained under section 301 of the Companies Act, 1956. Therefore clauses (iii)(b) to (iii)(d) of Paragraph 4 of the Order are not applicable to the Company.
- (b) According to the information and explanations given to us, the Company has not taken any loan from companies, firms or other parties covered in register maintained under Section 301 of the Companies Act, 1956. Therefore, the provisions of clause (iii) (e), (f) and (g) of Paragraph 4 of Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of Investments/ Stock in Trade and Fixed Assets. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system.
- (v) (a) In our opinion and according to the information and explanations given to us, there are no transactions that need to be entered into the register maintained under Section 301 of the Companies Act 1956.
- (b) In our opinion and according to the information and explanations given to us, as there are no transactions that need to be entered into the register maintained under Section 301 of the Companies Act 1956. Therefore, the provisions of clause 4 (v) (b) of Order are not applicable to the Company.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from public within the meaning of section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules 1975.
- (vii) In our opinion and according to the information and explanations given to us the Company has an internal audit system commensurate with the size and nature of its business.



- viii) According to information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956.
- (ix)(a) According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including income tax, and other statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax and service tax were outstanding, as at March 31, 2012 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues of income tax, wealth tax and Service Tax which have not been deposited on account of any dispute except the following:

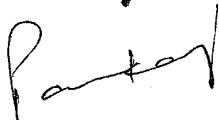
Name of the statute	Nature Of Dues	Financial Year to which the matter pertains	Forum where Matter is pending	Amount (Rs. in Lacs)
Income Tax Act, 1961	Income Tax, Interest & Penalty	2005-06	CIT (Appeals), New Delhi	33.69

- (x) The accumulated loss of the Company as at 31st March, 2012 does not exceed 50 per cent of its net worth. The Company has incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) According to the information and explanations given to us, the Company has not taken any loan from financial institution or bank or debenture holders. Therefore, the provisions of clause 4 (xi) of the Order, are not applicable to the Company.
- (xii) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi or mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the Order, are not applicable to the Company.
- (xiv) The Company has maintained proper records of transactions and contracts in respect of trading in securities, debentures and other investments and timely entries have been made therein. All shares, debentures and other investments have been held by the Company in its own name, except shares amounting to Rs.111.13 Lacs (Market Value Rs.94.85 Lacs) given to Broker as Margin (Refer to Note No.25).



- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) According to the information and explanations given to us, the Company has not taken any term loan. Therefore, provisions of clause 4 (xvi) of the Order are not applicable to the Company.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company has not issued any debentures during the year. Therefore, the provisions of clause 4 (xix) of the Order, are not applicable to the Company.
- (xx) The Company has not raised any money by public issue during the year under review.
- (xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For Bansal Gupta & Associates,
Chartered Accountants,
FRN- 017358N



(Pankaj Gupta)
Partner
M. No. 93233



Place: New Delhi
Date: July 25, 2012

Escorts Asset Management Limited
Balance Sheet as at 31st March, 2012



(Amount in Rs.)

PARTICULARS	Note No	As at 31st March 2012	As at 31st March 2011
I. EQUITY AND LIABILITIES			
(1) Shareholder's funds			
(a) Share capital	2	130,000,000	110,000,000
(b) Reserves and surplus	3	(7,025,622)	4,894,819
(2) Non-current liabilities			
(a) Other long term liabilities	4	278,311	309,835
(b) Long term provisions	5	1,811,358	1,576,753
(3) Current liabilities			
(a) Trade payables	6	2,392,520	3,094,005
(b) Other current liabilities	7	1,322,143	7,143,279
(c) Short-term provisions	8	385,717	594,785
Total		129,164,427	127,613,476
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets	9		
(i) Tangible assets		633,236	825,192
(ii) Intangible assets		505,991	692,614
(iii) Intangible assets under development		438,634	438,634
(b) Non-current investments	10	42,013,768	31,293,875
(c) Deferred tax assets (net)	11	7,922,780	3,634,168
(d) Long term loans and advances	12	46,642,578	49,011,020
(e) Other non-current assets	13	12,504,474	17,751,799
(2) Current assets			
(a) Current investments	14	8,507,129	4,983,896
(b) Trade receivables	15	6,608,088	5,978,701
(c) Cash and cash equivalents	16	1,917,819	3,906,321
(d) Short-term loans and advances	17	1,145,274	8,307,314
(e) Other current assets	18	324,656	789,942
Total		129,164,427	127,613,476

Summary of significant accounting policies

1

The accompanying notes 1 to 35 form an integral part of the financial statements

As per our report of even date
For Bansal Gupta & Associates
Chartered Accountants
Firm Reg. No. 017356N


(Pankaj Gupta)
Partner
Membership No. 93233

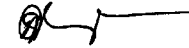


Place : New Delhi

Dated : July 25, 2012

For and on behalf of the Board of Directors


Director


Director


Company Secretary

Escorts Asset Management Limited
Statement of Profit and Loss for the year ended 31st March, 2012



(Amount in Rs.)

PARTICULARS	Note No	for the year ended 31st March 2012	for the year ended 31st March 2011
Income			
Revenue from operations	19	17,404,103	22,208,441
Profit on sale of non current investments		-	804,351
Profit on sale of current investments		-	2,863,632
Other Income	20	4,463,946	5,047,068
Total Income		21,868,049	30,923,493
Expenses			
Employee benefit expenses	21	13,069,213	12,706,873
Other expenses	22	17,060,528	17,358,831
Depreciation and amortization expenses	9 A	386,612	475,899
Diminution in value of non current investments		309,633	-
Loss on sale of non current investments		2,347,308	-
Loss on sale of current investments		952,702	-
Loss on Derivatives		2,128,687	6,026,312
Diminution in value of current investments		1,826,173	2,126,633
Total Expenses		38,080,856	38,694,548
Profit/(Loss) before tax		(16,212,807)	(7,771,055)
Tax expenses :			
Current tax		-	-
Deferred tax		4,288,612	3,087,070
Short/ (Excess) provision of tax for earlier years		3,754	(175,494)
Loss for the year		(11,920,441)	(4,859,479)
Earning per equity share:(in Rs.) (Face value of Rs. 10/- each)			
(1) Basic		(0.12)	(0.05)
(2) Diluted		(0.12)	(0.05)

Summary of significant accounting policies

1

The accompanying notes 1 to 35 form an integral part of the financial statements

As per our attached report of even date
For Bansal Gupta & Associates
Chartered Accountants
Firm Reg. No. 017358N


(Pankaj Gupta)
Partner
Membership No. 93233



For and on behalf of the Board of Directors


Director


Director

Place : New Delhi

Dated : July 25, 2012


Company Secretary

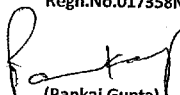
ESCORTS ASSET MANAGEMENT LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012



	for the year ended 31.03.2012 Rs.	for the year ended 31.03.2011 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	(16,212,807)	(7,771,055)
ADJUSTMENTS FOR :		
Depreciation	386,612	475,899
Miscellaneous expenditure written off	30,000	252,977
Interest income considered separately	(3,903,534)	(4,353,699)
Dividend income considered separately	(176,728)	(198,571)
(Increase)/Decrease in trade receivables	(629,387)	343,140
(Increase)/Decrease in current assets	7,597,325	(1,546,018)
(Increase)/Decrease in Non Current Assets	14,593,996	(6,696,038)
Increase/(Decrease) in current liabilities & provisions	(6,030,203)	3,182,148
Increase/(Decrease) in non current liabilities & provisions	(498,403)	332,614
CASH GENERATED FROM OPERATIONS	(4,843,129)	(15,978,603)
Direct Taxes Paid/ (Net Refund)	(6,974,474)	(8,691,799)
NET CASH FLOW FROM OPERATING ACTIVITIES	(11,817,603)	(24,670,402)
B CASH FLOW FROM INVESTING ACTIVITIES		
Interest income from inter corporate deposits	3,903,533	4,353,699
Dividend income	176,728	198,571
Purchase of fixed assets	(8,033)	(99,203)
10% non-cumulative preference shares	(20,000,000)	-
Proceeds from sale of non current investments	9,280,107	2,255,368
Proceeds from sale of current investments	(3,523,233)	(1,018,662)
NET CASH FLOW FROM INVESTING ACTIVITIES	(10,170,898)	5,689,773
B CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of preference shares	20,000,000	-
NET CASH FLOW FROM FINANCING ACTIVITIES	20,000,000	-
Net increase in cash and cash equivalents during the year	(1,988,500)	(18,980,630)
Cash and cash equivalents at the beginning of the year	3,906,321	22,886,951
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	1,917,819	3,906,321

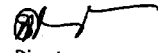
As per our report of even date
for Bansal Gupta & Associates
Chartered Accountants
Regn.No.017358N


(Pankaj Gupta)
Partner

Membership No.: 93233




Director


Director


Company Secretary

Place : New Delhi
Date : July 25, 2012

Escorts Asset Management Limited

**Notes forming part of the financial statements
for the year ended 31 March 2012**

Escorts Asset Management Company Limited "the Company" has been appointed as the asset management company to provide management and administrative services to the Trust (Escorts Mutual Fund) and to deploy the funds raised by the Escorts Mutual Fund under the schemes.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

1.1 ACCOUNTING CONVENTION

The financial statements have been prepared on a going concern basis, on historical cost convention, applicable Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956 which have been notified by the Companies (Accounting Standards) Rules, 2006 and the provisions of Companies Act, 1956 and in accordance with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India.

1.2 REVENUE RECOGNITION

- (i) Investment management and advisory fees is recognised on accrual basis.
- (ii) Interest income is recognised on accrual basis.
- (iii) Dividend is accounted for on accrual basis when the right to receive dividend is established

1.3 MISCELLANEOUS EXPENDITURE

Preliminary and preoperative expenses are amortized over ten years. Deferred revenue expenses are amortized over ten years. Share of on going expenses of the Schemes are recognised on accrual basis.

1.4 FIXED ASSETS

Fixed assets are stated at cost less accumulated depreciation.

1.5 DEPRECIATION AND AMORTISATION

Depreciation is provided on Written Down Value Method as per rates prescribed Under Schedule XIV of the Companies Act, 1956. Asset costing of Rs. 5,000/- are fully depreciated in the year of acquisition. Intangible Assets are amortized over a period of 10 years in accordance with Accounting Standard-26.

1.6 INVESTMENTS

- i) Long Term Investments are stated at cost. A provision for diminution is made to recognize a decline other than temporary, in the value of long term investments



- ii) Current investments are valued at cost or market value whichever ever less is.

1.7 EMPLOYEE BENEFITS

- i) The liability on account of gratuity is provided on the basis of actuarial valuation at the year-end.
- ii) The Provision for leave encashment benefit to employees is provided on the basis of actuarial valuation at the year-end.

1.8 LEASES

Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the statement of profit & loss on straight line basis over the lease term

1.9 DEFERRED TAX

Deferred tax is recognized, subject to consideration of prudence, on timing differences, representing the difference between the taxable Income/(Loss) and accounting Income/(Loss) that originated in one period and are capable of reversal in one or more subsequent periods. Deferred tax Assets and Liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date.

1.10 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

- a) Provisions are recognized for liabilities that can be measured only using a substantial degree of estimation, if:
 - (i) the Company has a present obligation as a result of past event.
 - (ii) a probable outflow of resources is expected to settle the obligation and
 - (iii) the amount of obligation can be reliably estimated.

Reimbursements expected in respect of expenditure required to settle a provision is recognized only when it is virtually certain that the reimbursement will be received.

- b) Contingent liability is disclosed in the case of:
 - (i) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation.
 - (ii) a possible obligation, unless the probability of outflow of resources is remote.

Provisions, Contingent Liabilities are reviewed by the management at each Balance Sheet date.

- c) Contingent assets are neither recognised nor disclosed.



(Amount in Rs.)

Particulars	As at	
	31st March 2012	31st March 2011
2 : SHARE CAPITAL		
Authorised		
1,50,00,000 (Previous Year 1,50,00,000) Equity Shares of Rs. 10 each	150,000,000	150,000,000
2,00,000 (Previous Year 2,00,000) Unclassified Shares of Rs. 100 each	20,000,000	40,000,000
1,00,000 (Previous Year 1,00,000) 1% Non Cumulative Preference Shares of Rs. 100 each	10,000,000	10,000,000
2,00,000 (Previous Year Nil) 10% Non Cumulative Preference Shares of Rs. 100 each	20,000,000	-
Total	200,000,000	200,000,000
Issued subscribed & paid-up		
100,00,000 (Previous Year 100,00,000) Equity Shares of Rs. 10 each fully paid up	100,000,000	100,000,000
100,000 (Previous Year 1,00,000) 1% Non-Cumulative Preference Shares of Rs. 100 each fully paid up	10,000,000	10,000,000
200,000 (Previous Year Nil) 10% Non-Cumulative Preference Shares of Rs. 100 each fully paid up	20,000,000	-
Total	130,000,000	110,000,000

(2. a) Rights, preferences and restrictions attached with shares

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

(ii) 1% Non-Cumulative Preference Shares of Rs. 100 each were issued to Gala Trading Private Limited, These preference shares are to be redeemed on January 30, 2022.

(iii) 10% Non-Cumulative Preference Shares of Rs. 100 each redeemable after Five years for cash at par were issued on September 30, 2011 to Emerald Wealth Management Limited. These preference shares are to be redeemed on September 29, 2016.

2. b) Out of 1,00,00,000 equity shares issued, 30,00,000 equity shares are held by the holding Company Escorts Ltd.

2. c) The reconciliation of the number of shares outstanding is set out below:	As at		As at	
	31st March 2012		31st March 2011	
Equity Share	No. of shares	Amount	No. of shares	Amount
Shares outstanding at the beginning of the year	10,000,000	100,000,000	10,000,000	100,000,000
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	10,000,000	100,000,000	10,000,000	100,000,000
Preference Share				
Shares outstanding at the beginning of the year	100,000	1,000,000	100,000	1,000,000
Shares issued during the year	200,000	2,000,000	200,000	2,000,000
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	300,000	3,000,000	300,000	3,000,000
2. d) Details of shares held by shareholders holding more than 5% shares at the year end	No. of shares	% age of holding	No. of shares	% age of holding
Escorts Limited (the Holding Company)	3,000,000	30.00	3,000,000	30.00
Escorts Finance Limited	4,899,300	48.99	4,899,300	48.99
AAA Portfolio Private Limited	2,100,000	21.00	2,100,000	21.00
	9,999,300	99.99	9,999,300	99.99
Preference Shares:	No. of shares	% age of holding	No. of shares	% age of holding
Gala Trading Private limited	100,000	33.33	100,000	33.33
Emerald Wealth Management Limited	200,000	66.67	-	-
Total	300,000	100.00	100,000	33.33



Escorts Asset Management Limited



(Amount in Rs.)

	As at 31st March 2012	As at 31st March 2011
3 : RESERVES AND SURPLUS		
Reserve fund		
Opening balance	6,180,682	6,180,682
Transfer from surplus in statement of profit & loss	-	-
Closing balance	<u>6,180,682</u>	<u>6,180,682</u>
General reserve		
Opening balance	-	3,573,617
Transfer from surplus in statement of profit & Loss	-	<u>(3,573,617)</u>
Closing Balance	-	-
Surplus/(deficit) in the statement of profit and loss		
Balance as at the beginning of the year	(1,285,863)	-
Loss for the year	<u>(11,920,441)</u>	<u>(1,285,863)</u>
Net deficit in the statement of profit and loss	<u>(13,206,304)</u>	<u>(1,285,863)</u>
Total	<u>(7,025,622)</u>	<u>4,894,819</u>



(Amount in Rs.)

PARTICULARS	As at 31st March 2012	As at 31st March 2011
4 : OTHER LONG TERM LIABILITIES		
Escorts limited (the holding company)	236,556	236,557
Other liabilities	41,755	73,278
Total	278,311	309,835
5 : LONG TERM PROVISIONS		
Provision for employee benefits		
Provision for gratuity	670,257	765,596
Provision for leave encashment	1,141,101	811,157
Total	1,811,358	1,576,753
6 : TRADE PAYABLES		
Trade payables	2,392,520	3,094,005
Total	2,392,520	3,094,005
Trade payables includes from Escorts securities limited (Company under same management)	2,392,520	3,094,005
7 : OTHER CURRENT LIABILITIES		
Other liabilities	817,142	6,450,295
Provident fund payable	97,077	106,058
TDS payable	394,751	118,829
Expenses payable	13,173	431,199
Service tax payable	-	36,897
Total	1,322,143	7,143,279
8 : SHORT TERM PROVISIONS		
Provision for employee benefits		
Provision for gratuity	37,499	52,038
Provision for leave encashment	196,118	324,285
Provision for leave travel allowance	152,100	218,462
Total	385,717	594,785
9 : FIXED ASSETS		
a) Tangible assets		
Gross block	3,778,671	3,770,638
Less: depreciation/ amortisation	3,145,435	2,945,446
Net block	633,236	825,192
b) Intangible assets		
Gross block	1,866,225	1,866,225
Less: depreciation/ amortisation	1,360,234	1,173,611
Net block	505,991	692,614
c) Intangible assets under development	438,634	438,634
Total	1,577,861	1,956,440



Escorts Asset Management Limited

9 A : DETAILED BREAK UP OF FIXED ASSETS

Description	(Amount in Rs.)											
	GROSS BLOCK				DEPRECIATION				NET BLOCK			
	As at 01.04.2011 Rs.	Additions During the Year Rs.	Sale or Trf. During The Year Rs.	As at 31.03.2012 Rs.	Up to 01.04.2011 Rs.	For the Year Rs.	Adjustment During the Year Rs.	Up to 31.03.2012 Rs.	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.		
TANGIBLE ASSETS												
Office Equipment	829,488	-	-	829,488	453,801	57,258	-	506,059	323,429	375,687		
Computer	2,485,784	8,033	-	2,493,817	2,181,465	123,709	-	2,305,174	188,643	304,319		
Air- Conditioner	45,052	-	-	45,052	10,349	4,827	-	15,176	29,876	34,703		
Telephone Instrument	39,258	-	-	39,258	35,452	530	-	35,982	3,276	3,806		
Electrical Equipment	33,332	-	-	33,332	17,975	2,136	-	20,111	13,221	15,357		
Furniture & Fixture	337,724	-	-	337,724	246,404	16,529	-	262,933	74,791	91,320		
	3,770,638	8,033	-	3,778,671	2,945,446	199,989	-	3,145,435	633,236	825,192		
INTANGIBLE ASSETS												
Internal Software	1,866,225	-	-	1,866,225	1,173,611	186,623	-	1,360,234	505,991	692,614		
	5,636,863	8,033	-	5,644,896	4,119,057	386,612	-	4,505,669	1,139,227	1,517,806		
Previous year figures	5,537,660	99,203	-	5,636,863	3,643,158	475,899	-	4,119,057	1,517,806	-		



PARTICULARS	As at 31st March 2012		As at 31st March 2011	
	At Cost	Market Value	At Cost	Market Value
10 : NON CURRENT INVESTMENTS				
Long Term				
Non trade investments (valued at cost)				
Investment in equity instrument (quoted)	1,225,401	709,383	10,195,875	12,451,243
Investment in equity instrument (unquoted)	19,698,000	-	19,698,000	-
Investment in preference shares	20,000,000	-	-	-
Investment in mutual fund	1,400,000	1,124,943	1,400,000	1,130,768
	42,323,401	1,834,326	31,293,875	13,582,011
Less: Diminution in non current investments	309,633			
Total	42,013,768		31,293,875	

NAME OF SHARES	FACE VALUE	As On Apr-11	01- No(s)	Additions During the year No(s)	Deductions During the year No(s)	As at 31st March 2012	As at 31-March -12	As at 31-March-11
Equity Shares : (Quoted)								
Arvind Mills Limited	10	8,600	-	-	8,600	-	-	316,973
Asian Hotels Limited.North #	5	325	-	-	-	325	110,150	110,150
Asian Hotels Limited.East #	5	325	-	-	-	325	110,150	110,150
Asian Hotels Limited.West #	5	325	-	-	-	325	110,150	110,150
Bharat Forge Limited	2	1,000	-	-	1,000	-	-	255,599
Chambal Fertilizers & Chemicals Limited	10	12,000	-	-	12,000	-	-	411,789
IDBI Bank Limited	10	1,600	-	-	1,600	-	-	144,288
IFCI Limited	10	56,985	-	-	56,985	-	-	3,683,237
Ispat Industries Limited #	10	16,600	-	-	-	16,600	426,165	426,165
Info-media 18 Limited	10	10,001	-	-	10,001	-	-	335,068
Jaiprakash Associates Limited	2	3,375	-	-	3,375	-	-	566,281
Kalyani Steel Limited	5	5,061	-	-	5,061	-	-	1,156,335
Lloyd Electric & Engineering Limited	10	1,000	-	-	-	1,000	213,252	213,252
Nagarjuna Fertilizer & Chemicals Limited	10	17,500	-	-	17,500	-	-	700,887
Ranbaxy Laboratories Limited	5	2,156	-	-	2,156	-	-	1,151,547
Nagarjuna Fertilizers and Chemicals Limited	1	-	1,650	-	-	1,650	31,468	-
Nagarjuna Oil Refinery Limited	1	-	1,500	-	-	1,500	28,608	-
Reliance Communications Limited	5	350	-	-	-	350	195,459	195,459
Reliance Industries Limited	10	300	-	-	300	-	-	308,545
							1,225,401	10,195,875
Equity Shares : (UnQuoted)								
Escorts Securities Limited (Company under the Same Management)	10	1,960,000	-	-	-	1,960,000	19,698,000	19,698,000
Preference Shares								
Allgrow Finance & Investment Pvt. Ltd.	10	2,000,000	-	-	-	2,000,000	20,000,000	-
Mutual Fund :								
Escorts Balance Fund #	10	18,644	-	-	-	18,644	1,400,000	1,400,000
Gross Total							42,323,401	31,293,875

Notes:-

i) 10% Non-Cumulative Preference Shares of Rs 10 each redeemable after Five years for cash at par were invested on September 30, 2011 issued by Allgrow Finance & Investment Pvt. Ltd. These preference shares are to be redeemed on September 29, 2016.

ii) # The provision for shortfall in diminution in value of Long term investment has not been provided in view the management, the same is temporary in nature

iii) Includes Shares held in non current investment having cost price of Rs. 11.65 Lacs given to broker as margin and are not held in the name of the Company (Refer Note no. 25(a))



Escorts Asset Management Limited



(Amount in Rs.)

Particulars	As at 31st March 2012	As at 31st March 2011
11 : DEFERRED TAX ASSET (net) (Refer note no. 26)		
Deferred tax liability	(175,561)	(253,447)
Deferred tax asset	8,098,341	3,887,615
Total	7,922,780	3,634,168
12 : LONG TERM LOANS & ADVANCES		
Unsecured, considered Good		
Security deposit	228,400	174,199
Inter corporate deposits	46,400,000	48,828,209
Other loans & advances	14,178	8,612
Total	46,642,578	49,011,020
13 : OTHER NON CURRENT ASSETS		
Advance tax/TDS (net of provisions)	6,974,474	8,691,799
Fixed deposit/ margin money pledged with NSE given to Escorts Securities Limited (Company under same management)	5,500,000	9,000,000
Miscellaneous expenditure to the extent not written off	30,000	60,000
Total	12,504,474	17,751,799



Escorts Asset Management Limited



(Amount in Rs.)

PARTICULARS	As at 31st March 2012		As at 31st March 2011						
	At Cost	Market Value	At Cost	Market Value					
14 : CURRENT INVESTMENTS									
Investment in equity instrument (quoted)	8,507,129	9,146,790	4,983,896	5,922,497					
(valued at cost or market price whichever is less)	8,507,129	9,146,790	4,983,896	5,922,497					
NAME OF SHARES	FACE VALUE	As On Apr-11	01- No(s)	Additions During the year No(s)	Deductions During the year No(s)	As at 31st March 2012	As on 31-Mar-12	As on Mar-11	31-
Equity Shares:									
Askash Optifibre Limited	5	-	-	48,897	48,897	-	-	-	-
Arvind Mills Limited	10	6,450	-	5,000	11,450	-	-	-	86,430
Benchmark Gold	100	-	-	10	10	-	-	-	-
Bharat Forge Limited	2	-	-	1,000	1,000	-	-	-	-
Bombay Rayon Fashions Limited	10	-	-	500	500	-	-	-	-
Cairn Ind.Limited	10	-	-	2,500	2,500	-	-	-	-
Chambal Fertilisers & Chemicals Limited	10	-	-	6,000	6,000	-	-	-	-
Deccan Chronicle Hold.Limited	2	-	-	2,000	-	2,000	69,100	-	-
Dhanlaxmi Bank Limited	10	-	-	10,000	10,000	-	-	-	-
Digjam Limited	10	20,000	-	17,000	20,000	17,000	118,897	188,000	-
Duncans Industries Limited	10	20,000	-	-	-	20,000	236,000	298,000	-
EIH Associated Hotels Limited	2	-	1	-	1	-	-	81	-
Eon Electric Ltd.(Indo Asian Fusegear Limited	10	-	-	28,899	19,573	9,326	332,006	-	-
Finat Source Solv.Limited	10	-	-	197,000	96,000	101,000	760,030	-	-
Golden Tobacco Ltd.	10	2,000	-	-	2,000	-	-	162,200	-
Gwalior Chemical Ind.Limited(Gee Cee)	10	205	-	-	-	205	8,016	8,016	-
Halonix Limited	10	3,850	-	-	-	9,050	177,663	312,473	-
Hero Motocorp Limited	2	-	-	250	250	-	-	-	-
Hindalco Industries Limited	10	-	-	2,000	2,000	-	-	-	-
Hindoli Exploration Company Limited	10	-	-	3,000	1,000	2,000	224,100	-	-
Housing Development And Infrastructure Limited	10	-	-	1,000	750	250	21,413	-	-
IDBI Bank Limited	10	400	-	-	400	-	-	47,811	-
IFCI Limited	10	-	-	50,985	16,000	34,985	945,280	-	-
IL&FS Engg. & Const.Co.Limited	10	2,000	-	-	2,000	-	-	378,800	-
Infomedia 18 Limited	10	-	-	11,001	-	11,001	94,609	-	-
IRB Infra Dev Limited	10	-	-	1,000	750	250	46,713	-	-
Jaiprakash Power Ventures Limited	10	-	-	8,000	8,000	-	-	-	-
JP Associates Limited	2	625	-	-	625	-	-	58,000	-
Kalyani Investment Co.Limited	10	526	-	588	526	588	238,728	-	-
Kalyani Steels Limited	5	-	-	8,886	3,886	5,000	199,504	-	-
Karnataka Bank Limited	10	-	-	1,500	-	1,500	143,475	-	-
Karur Vysya Bank Limited	10	1	-	-	1	-	-	399	-
Kemrock Ind.Limited	10	-	-	920	920	-	-	-	-
Kerma Energy Limited	10	4,916	-	-	4,916	-	-	-	-
Lanco Infracore Limited	1	-	-	35,000	5,000	30,000	546,000	-	-
Mahanagar Telephone Nigam Limited	10	-	-	16,000	8,000	8,000	219,200	-	-
Manappuram Finance Limited	2	-	-	23,000	5,000	18,000	548,100	-	-
Mangalore Refinery & Petrochemicals Limited	10	450	-	4,450	4,450	450	25,320	16,503	-
Maruti Suzuki India Limited	5	-	-	400	400	-	-	-	-
Mid-Day Limited	10	19,005	-	-	19,005	-	-	103,577	-
Mudra Lifestyle Limited	10	-	-	22,000	22,000	-	-	-	-
Nagarjuna Fertilizer & Chemicals Limited	10	-	-	16,000	16,000	-	-	-	-
Nagarjuna Oil Refinery Limited	10	-	-	17,600	-	17,600	227,216	-	-
Nabar Inv.& Hold.Limited	1	-	-	16,000	2,000	14,000	89,600	-	-
NTPC Limited	10	2,000	-	-	-	1,000	22,600	47,095	-
Oriental Bank Of Commerce Limited	10	-	-	500	2,000	500	126,325	386,200	-
Piramal Healthcare Limited	2	372	-	250	372	250	102,016	155,050	-
Power Finance Corp. Limited	10	-	-	1,500	750	750	138,413	-	-
Power Grid Limited	10	150	-	8,150	8,150	150	14,705	15,285	-
Ranbaxy Laboratories Limited	5	-	-	312	-	312	137,105	-	-
Reliance Industries Limited	10	950	-	500	1,450	-	-	972,734	-
Reliance Infrastructure Limited	10	-	-	750	750	-	-	-	-
Reliance Power Limited	10	-	-	8,000	6,000	2,000	195,867	-	-
Rural Electrification Corporation Limited	10	-	-	1,350	1,250	100	20,210	-	-
Sanghi Industries Limited	10	4,000	-	1,592	4,792	800	12,890	77,000	-
Scamec Limited	10	3,500	-	-	-	3,500	316,050	348,950	-
Sesa Goa Limited	1	-	-	1,000	1,000	-	-	-	-
Shree Rama Multi-Tech Limited	5	1,005	-	-	-	1,005	3,367	6,734	-
Sical Logistics Limited	10	-	-	13,738	13,738	-	-	-	-
Southern Petrochemicals Industries Corporation Lim	10	15,000	-	35,000	25,000	25,000	441,250	235,500	-
Steel Authority Of India Limited	10	-	-	-	-	-	-	-	-
Sundaram Clayton Limited	5	2,197	-	1,595	2,197	1,595	74,885	317,027	-
Tata Teleservices (Maharashtra) Limited	10	-	-	7,000	-	7,000	97,547	-	-
Tatamco Infrastructure & Holdings Limited	1	1,000	-	-	500	500	13,475	31,400	-
Tatamco Rail & Engg. Limited	1	1,000	-	750	1,000	750	45,300	-	-
The Orissa Minerals Development Company Limited	10	4	-	-	4	-	136,649	196,736	-
Tulip It Services Limited	2	-	-	3,713	3,713	-	-	-	-
Uflex Industries Limited	10	-	-	16,500	8,250	8,250	948,338	-	-
Uttam Galva Steels Limited	10	3,550	-	-	3,550	-	243,530	397,423	-
Utv Software Communication Limited	10	-	-	950	950	-	-	-	-
Weizman Forex Limited	10	4,916	-	-	4,916	-	-	-	-
Weizman Limited	10	7,374	-	-	-	7,374	66,735	104,342	-
Wire & Wireless India Limited	1	3,400	-	13,424	7,374	9,450	78,908	32,130	-
Zee Learn Limited	1	200	-	-	200	-	-	0	-
							8,507,129	4,983,896	
Mutual Fund:									
Escorts Liquid Plan	-	-	-	955,200	955,200	-	-	-	-
Total							8,507,129	4,983,896	

Notes :-

i) Includes Shares held in current investment having cost price of Rs. 99.48 Lacs given to broker as margin and are not held in the name of the Company (Refer Note no. 25(b))



Escorts Asset Management Limited



(Amount in Rs.)

Particulars	As at 31st March 2012	As at 31st March 2011
15 : TRADE RECEIVABLES		
Unsecured, considered good		
Debts outstanding for a period exceeding six months		
Others receivables	6,608,088	5,978,701
Less: Provision for debts		
Total	6,608,088	5,978,701
Others receivables includes		
Due from Escorts Mutual Fund	6,608,088	5,978,701
16 : Cash & Cash equivalents		
Cash in hand	88,425	78,448
Balances with banks		
In current accounts	1,829,394	3,827,873
Total	1,917,819	3,906,321
17 : SHORT TERM LOANS & ADVANCES		
Advances recoverable in cash or in kind		
Unsecured, considered good		
Other loans & advances	1,145,274	8,307,314
Total	1,145,274	8,307,314
Other loans & advances includes		
from Escorts Securities Limited (Company under same management)	1,124,450	8,240,249
18 : OTHER CURRENT ASSETS		
Interest receivable	-	136,239
Prepaid expenses	163,374	628,520
Dividend receivable	-	75
Service tax receivable	161,282	25,108
Total	324,656	789,942



(Amount in Rs.)

Particulars	For the year ended 31st March 2012		For the year ended 31st March 2011
19 : REVENUE FROM OPERATIONS			
Management fees	17,404,103		22,208,441
Total	17,404,103		22,208,441
20 : OTHER INCOME			
Interest income			
Inter corporate deposits	3,380,065	2,558,740	
Fixed deposits/margin money	523,468	1,794,959	
Income tax refund	164,430	443,289	
Others	71,308	-	
Dividend income from long term investments	74,447		152,866
Dividend income from current investments	102,281		45,705
Excess provision written back	57,840		
Miscellaneous income	90,107		51,510
Total	4,463,946		5,047,068
21 : EMPLOYEE BENEFIT EXPENSES			
Salaries & allowances	10,531,179		10,660,228
Gratuity	-		149,122
Contribution to provident fund and other funds	607,859		626,633
Leave encashment	526,062		403,528
Staff welfare	27,534		14,942
Performance award	1,376,579		852,420
Total	13,069,213		12,706,873
22 : OTHER EXPENSES			
Security transaction tax	200,488		251,809
Rent & hire charges	857,884		746,054
Travelling & conveyance	929,851		1,030,503
Printing & stationery	84,267		230,061
Postage & telephone	48,846		185,816
Share of common services expenses	2,373,403		3,050,673
Share of on going expenses of mutual fund schemes	4,655,780		3,268,391
Professional expenses	5,423,177		5,669,941
Repair & maintenance for others	574,711		544,958
Filing fee	18,248		7,362
Insurance	295,037		288,612
Directors' sitting fee	350,000		400,000
Auditors remuneration			
Audit fee	90,000	70,000	
Tax audit fee	15,000	10,000	
Certification	10,000	20,000	
Fees for earlier year	35,000	-	
Out of pocket expenses	10,000	10,000	110,000
Business promotion expenses	54,552		849,627
Miscellaneous expenses	418,759		468,147
Miscellaneous expenditure written Off	30,000		252,977
Initial Issue expenses of schemes	585,525		3,900
Total	17,060,528		17,358,831



23. **Contingent Liability**

Demands disputed by the Company and not provided for:

Nature of Dues	As at March 31, 2012	As at March 31, 2011
Demand raised by the Income Tax Department, disputed by the Company and pending in appeal for the Assessment Year 2006-07	33,69,259	33,69,259

The total refund of Rs.33,15,065/- has been held up with the income tax department, related to the Assessment Years 2006-07 amounting to Rs 11,40,952/-, Assessment Year 2007-08 Rs 17,16,289/- and for the Assessment Year 2008-09 Rs 4,57,824/-.

24. Estimated amount of contracts remaining to be executed on capital and not provided for Rs. 438,634 (Previous year Rs. 438,634)
25. Following Shares are held in non current investment, & current investment which are given to the broker as margin and are not held in the name of the Company:

a) **Non current investments:**

Scrip's Name	No. Of Shares	Purchase Value	Market Value
Asian Hotels Limited.North	325	110,150	71,923
Asian Hotels Limited.East	325	110,150	94,835
Asian Hotels Limited.West	325	110,150	62,108
Ispat Industries Limited	16,600	426,165	371,840
Lloyd Electric & Engineering Limited	1000	213,252	61,400
Reliance Communications Limited	350	195,459	37,678
Total (a)		1,165,326	699,784

b) **Current investments:**

Scrip's Name	No. Of Shares	Purchase Value	Market Value
Deccan Chronicle Hold.Limited	2,000	106,257	69,100
Digjam Limited	17,000	118,897	120,700
Duncans Industries Limited	20,000	298,000	236,000
Eon Electric Ltd.(Indo Asian Fusegear Limited	9,326	518,395	332,005
First Source Solu.Limited	101,000	760,030	964,550
Halonix Limited	3,050	312,472	177,662
Hindoil Exploration Company Limited	2,000	258,921	224,100
Housing Development And Infrastructute Limited	250	23,520	21,412



IFCI Limited	34,985	945,280	1,465,871
Infomedia 18 Limited	11,001	107,024	94,609
IRB Infra Dev Limited	250	48,236	46,712
Kalyani Investment Co.Limited	588	285,531	238,728
Kalyani Steels Limited	5,000	199,504	261,750
Lanco Infratech Limited	30,000	609,100	546,000
Mahanagar Telephone Nigam Limited	8,000	235,939	219,200
Manappuram Finance Limited	18,000	727,162	548,100
Mangalore Refinery & Petrochemicals Limited	450	25,320	30,690
Nagarjuna Fertilizer & Chemicals Limited	17,600	227,239	
Nagarjuna Oil Refinery Limited	14,000	180,761	89,600
Nahar Inv.& Hold.Limited	1,000	47,095	22,600
Piramal Healthcare Limited	250	102,016	117,850
Power Finance Corp. Limited	750	139,520	138,413
Power Grid Limited	150	14,705	16,223
Ranbaxy Laboratories Limited	312	137,105	146,453
Reliance Power Limited	2,000	195,867	234,300
Rural Electrification Corporation Limited	100	20,210	20,540
Sanghi Industries Limited	800	12,890	13,560
Seamec Limited	3,500	348,950	316,050
Southern Petrochemicals Industries Corporation Limited	25,000	631,872	441,250
Sundaram Clayton Limited	1,595	260,993	74,885
Tata Teleservices (Maharashtra) Limited	7,000	97,547	102,550
Texmaco Infrastructure & Holdings Limited	500	15,700	13,475
Texmaco Rail & Engg. Limited	750	58,684	45,300
The Orissa Minerals Development Company Limited	4	196,736	136,649
Uflex Industries Limited	8,250	1,178,873	948,338
Uttam Galva Steels Limited	3,550	397,423	243,530
Weizmann Limited	7,374	104,342	66,735
Total (b)		9,948,116	8,785,490

26. Deferred Tax Assets (Net)

The Deferred Tax Asset (net) comprises of the following as at March 31, 2012

Particulars	Deferred Tax Assets/ (Liabilities) As at 1-4-2011	Charge / (Credit) During the Year	Deferred Tax Assets/(Liabilities) As at 31.03.2012
Assets			
Leave Encashment	350,852	62,349	413,201
Gratuity	252,649	(33,952)	218,697



Provision for LTA	67,505	30,127	97,632
Short Term Capital Loss	337,109	Nil	337,109
Business Loss	2,879,500	4,152,202	7,031,702
Sub Total (a)	3,887,615	4,210,726	8,098,341
Liabilities			
Depreciation/Amortization	234,907	(68,616)	166,291
Deferred Revenue Expenditure	18,540	(9,270)	9,270
Sub Total (b)	253,447	(77,886)	175,561
Grand Total (a-b)	3,634,168	4,288,612	7,922,780

27. Segment Reporting

The segmental reporting disclosure as required by Accounting Standard (AS) – 17 on “Segment Reporting”, issued by the Institute of Chartered Accountants of India is not applicable. The Company’s operations predominantly relate to management and administrative services to the schemes floated by Escorts Mutual Fund. There is no reportable business / geographic Segment.

28. Disclosures as required under Accounting Standard – 15 (Revised) on “Employees Benefits”.

1. Defined Benefit Plans:-

Gratuity Fund/Leave Encashment

A. Changes in the Present Value of Obligations

Particulars	Gratuity		Leave Encashment	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
Value of Obligation as at beginning of the period on 01-04-2011	817,634	690,002	11,35,442	944,500
Acquisition adjustment	Nil	Nil	Nil	Nil
Interest Cost	79,688	74,120	108,848	98,138
Past Service Cost	Nil	Nil	Nil	Nil
Current Service Cost	171,897	234,020	450,315	420,138
Curtailment Cost / (Cost)	Nil	Nil	Nil	Nil
Settlement Cost / (Cost)	Nil	Nil	Nil	Nil
Benefit Paid	Nil	Nil	324,285	54,415
Actuarial (gain)/ Loss on obligation	-309,425	-159,018	33,101	-114,748



Present Value of Obligation as at the end of the period on 31-03-2012	707,756	817,634	1,337,219	1,135,442
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B. Change in Fair Value of Plan Asset

Particulars	Gratuity		Leave Encashment	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
Fair Value of Plan Assets at beginning of the year	Nil	Nil	Nil	Nil
Acquisition Adjustments	Nil	Nil	Nil	Nil
Expected Return on plan assets	Nil	Nil	Nil	Nil
Contributions by employer	Nil	Nil	Nil	Nil
Benefits Paid during the year	Nil	Nil	Nil	Nil
Actuarial Gain / (loss) on Plan Asset	Nil	Nil	Nil	Nil
Fair Value of Plan Assets at the end of the year	Nil	Nil	Nil	Nil
Funded Status – not funded/(liability)	(707,756)	(817,634)	(1,337,219)	(1,135,442)
Excess of actual over estimated return on plan assets	Nil	Nil	Nil	Nil

C. Amount of obligation & Assets recognized in the Balance Sheet

Particulars	Gratuity		Leave Encashment	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
Opening Net Liability	817,634	690,002	1,135,442	944,500
Expenses charged to statement of profit & loss	-57,840	149,122	526,062	403,529
Benefit Paid	52,038	21,490	324,285	212,586
Closing Liability as at 31.03.2012	707,756	817,634	1,337,219	1,135,442

D. Expenses recognised in statement of profit & loss account

Particulars	Gratuity		Leave Encashment	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
Current Service Cost	171,897	234,020	450,315	420,138
Interest Cost	79,688	74,120	108,848	98,138
Net Actuarial (gain)/ Loss	309,425	159,018	-33,101	-114,748



for the period				
Expenses Recognized in statement of profit & loss	-57,840	149,122	526,062	403,529

E. Actuarial Assumptions

Particulars	Gratuity		Leave Encashment	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
Discount Rate	8.50%	8.50%	8.50%	8.50%
Rate of Return on Plan Assets	0.00%	0.00%	0.00%	0.00%
Rate of increase in Compensation	10.00%	10.00%	10.00%	10.00%

29. Office Premises are on operating lease with tenor up to 36 months and renewable on such terms and conditions as may be mutually agreed between the Company and the lessor. Lease rentals paid are charged as rent in Statement of Profit and Loss.

30. Related Party Disclosures

Related party disclosures as required under Accounting Standard 18 on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India are given hereunder:

a) List of Related Parties

- i. Enterprises under common control with Escorts Asset Management Limited (fellow subsidiaries) :

Escorts Construction Equipment Limited
Escorts Securities Limited

- ii. Holding Company
Escorts Limited

- iii Key Management Personnel
Mr. Lalit K. Khanna



- b) Related Party Transactions:



Particulars	Under Common Control Escorts Securities Limited (Rs.)		Holding Company Escorts Limited (Rs.)		Key Management Personnel (Rs.)	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011	31.03.2012	31.03.2011
Reimbursement of Common Sharing Expenses	23,73,403	30,50,673	Nil	Nil	Nil	Nil
Director Sitting Fee	Nil	Nil	Nil	Nil	87,500	77,500
Trading Account						
Purchase	3,08,23,448	3,47,91,070	Nil	Nil	Nil	Nil
Sales	2,76,94,189	3,50,53,208	Nil	Nil	Nil	Nil
Receivables	11,24,450	82,40,249	Nil	Nil	Nil	Nil
Payables	23,92,520	30,94,005	2,36,556	2,36,556	Nil	Nil

31. Earning per Shares (EPS)

Particulars		Year Ended	Year Ended
		31-03-2012	31-03-2011
Net profit/(loss) after tax		(11,920,441)	(4,859,479)
Weighted average number of shares outstanding		10,000,000	10,000,000
Earning per shares (face value of Rs.10 per shares)	Basic	(1.19)	(0.49)
	Diluted	(1.19)	(0.49)

32. The Company has not received information from vendors/suppliers regarding their status under the "Micro, Small & Medium Enterprises Act, 2006" and hence disclosure relating to amount unpaid at the year end together with interest paid or payable under this Act has not been given.
33. The financial statements have been prepared in line with requirements of revised Schedule VI of the Companies Act 1956, as introduced by Ministry of Corporate Affairs, from the financial year ended March 31, 2012. Accordingly, the assets and liabilities are classified between current and non current considering 12 months period as operating cycle. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. Consequently, the Company has reclassified previous year figures to conform to this year's classification.
34. The company does not have sufficient number of independent directors in audit committee as required under section 292 A of the Companies Act 1956. As one of the director expired on 27th June 2011 and the Company has sent the list of three proposed directors, confirmed by trustees, to Securities Exchange Board of India (SEBI) for necessary approval. The approval is still awaited.




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35. The Company is, not carrying on any Non Banking Finance activities and hence, the Company has surrendered the NBFC certificate to Reserve Bank of India (RBI) on 29th December 2010. However, the RBI has not yet responded.

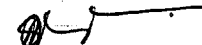
As per our report of even date

for **Bansal Gupta & Associates**
Chartered Accountants
FRN - 017358N


(Pankaj Gupta)
Partner
M. No.: 93233




Director


Director

Place: New Delhi
Dated: July 25, 2012


Company Secretary