

ESCORTS FINANCE LIMITED

Regd. Office : SCO 64-65, Third Floor, Sector-17A, Chandigarh-160017 CIN : L85910CH1987PLC033652
 Website: www.escortsfinance.com, Email:escortsfinance@escorts.co.in; Phone: 0128-2564116
STATEMENT OF STANDALONE & CONSOLIDATED AUDITED FINANCIAL RESULTS
FOR THE QUARTER AND YEAR ENDED 31 MARCH 2018

Rs. In Lakhs

Sl. No.	Particulars	Standalone				Consolidated	
		Quarter ended		Year ended		Year ended	
		31.03.2018 (Audited)	31.12.2017 (Unaudited)	31.03.2017 (Audited)	31.03.2018 (Audited)	31.03.2017 (Audited)	31.03.2017 (Audited)
1	Income						
	a) Revenue from operations	1.99	3.32	16.80	15.90	29.81	29.81
	b) Other Income	0.18	0.16	0.08	0.52	0.66	0.66
	Total Income	2.17	3.48	16.88	16.42	30.47	30.47
2	Expenses						
	a) Employee benefits expense	3.08	4.10	2.94	13.31	12.07	13.31
	b) Finance costs	-	0.01	-	0.01	-	0.01
	c) Depreciation and amortisation expense	-	(0.01)	-	-	-	-
	d) Other expenses	281.01	5.05	7.83	279.37	24.22	279.37
	Total expenses	284.07	9.15	10.77	292.89	36.28	292.69
3	Profit/(loss) before share of net profit of investment accounted for using the equity method and exceptional item & tax (1-2)	(281.90)	(5.67)	6.11	(276.27)	(5.82)	(111.08)
4	Share of profit/(loss) of equity accounted investments	-	-	-	-	-	0.01
5	Profit/(loss) before exceptional item & tax (3-4)	(281.90)	(5.67)	6.11	(276.27)	(5.82)	(111.07)
6	Exceptional items	-	-	-	-	-	-
7	Profit/(Loss) before tax (5-6)	(281.90)	(5.67)	6.11	(276.27)	(5.82)	(111.07)
8	Tax expense (*)	-	178.80	-	178.80	-	178.80
9	Net profit/(loss) for the period (7-8)	(281.90)	173.13	6.11	(97.47)	(5.82)	67.73
10	Other comprehensive Income (OCI)	-	-	-	-	-	-
11	Total comprehensive Income for the period (9+10)	(281.90)	173.13	6.11	(97.47)	(5.82)	67.73
12	Paid-up Equity Share Capital (Face value of Rs.10/- each)	4,017.25	4,017.25	4,017.25	4,017.25	4,017.25	4,017.25
13	Other Equity (excluding revaluation reserve)	-	-	-	(21,835.16)	(21,737.69)	(21,737.69)
14	Earnings per share (of Rs.10/- each) Basic & Diluted (Rs.)	(0.6519)	0.4310	0.0152	(0.2426)	(0.0145)	0.1886

Notes:-

- The above Standalone and Consolidated Financial Results were reviewed by the Audit committee and approved and taken on record by the Board of Directors in their meeting held on 16 May 2018.
- The above results are in compliance with Indian Accounting Standards ("Ind AS") notified by the Ministry of Corporate Affairs.
- Assets & Liabilities**

Particulars	Standalone		Consolidated	
	As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
ASSETS				
(1) Non -Current Assets				
(a) Property, plant and equipment	0.11	0.11	0.11	0.11
(b) Other intangible assets	0.09	0.09	0.09	0.09
(c) Financial assets				
(i) Investments	271.37	489.93	271.38	324.74
(ii) Other financial assets	-	-	-	-
(d) Other non-current assets	132.28	-	132.28	-
(e) Income tax assets	60.19	60.20	60.19	60.20
Total non-current assets	484.04	550.33	464.05	385.14
(2) Current Assets				
(a) Inventories	-	0.01	-	0.01
(b) Financial assets				
(i) Investments	-	0.01	-	0.01
(ii) Trade receivables	-	-	-	-
(iii) Cash and cash equivalents	31.21	29.74	31.21	29.74
(v) Other financial assets	4.07	3.83	4.07	3.83
(c) Other current assets	13.36	255.97	13.36	255.97
Total current assets	48.64	289.56	48.64	289.56
Total assets	512.68	839.89	512.69	674.70
EQUITY AND LIABILITIES				
(1) Equity				
(a) Equity share capital	4,017.25	4,017.25	4,017.25	4,017.25
(b) Other equity	(21,835.16)	(21,737.69)	(21,835.15)	(21,902.88)
Total Equity	(17,817.91)	(17,720.44)	(17,817.90)	(17,885.63)
(2) Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	-	-	-	-
(ii) Other financial liabilities	14,766.97	14,729.89	14,766.97	14,729.89
(b) Provisions	3.16	2.76	3.16	2.76
Total non-current liabilities	14,770.13	14,732.65	14,770.13	14,732.65
(3) Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	950.00	950.00	950.00	950.00
(ii) Other financial liabilities	2,597.87	2,688.03	2,597.87	2,688.03
(b) Provisions	0.59	0.70	0.59	0.70
(c) Current tax liabilities	9.73	188.54	9.73	188.54
(d) Other current liabilities	2.27	2.41	2.27	2.41
Total current liabilities	3,560.46	3,827.68	3,560.46	3,827.68
Total equity and liabilities	512.66	839.89	512.69	674.70



- 4 The Company has a single reportable segment namely financial services (limited to recovery of loan assets) for the purpose of Ind AS-108.
- 5 M/s Escorts Benefit Trust (EBT) created by Escorts Limited maintains adequate funds to repay the matured unpaid fixed deposit liability, in terms of the directions of Hon'ble Delhi High Court. During the year ended 31 March 2018, EBT has settled the claims to the extent of Rs. 37.44 lacs by payment to respective fixed deposit holders. The remaining liability towards unclaimed fixed deposits and interest thereon is Rs. 1095.13 lacs as on 31 March 2018 (Rs.1132.57 lacs as on 31 March 2017) and is pending for deposit in Investor Education & Protection Fund.
- 6* The reconciliation of advance tax/ TDS recoverable with the related tax liability for earlier year has been carried out during the year. The consequent impact of the same Rs. 178.80 lacs has been taken to statement of profit and loss under the head 'Tax Expense'. Further Deferred Tax Assets has not been recognised in the books of account as there is no virtual certainty of future taxable income.
- 7 Response to auditor's qualifications on the financial results for the quarter and year ended 31 March 2018:
 - (a) Remaining liabilities towards unpaid/unclaimed matured fixed deposit and interest thereon is Rs.1095.13 lacs as on 31 March 2018 and is pending for deposit in Investor Education & Protection Fund.
Complete facts have been disclosed in Note 5 above which is self explanatory and does not call for any further comments.
 - (b) The Company has not obtained Actuarial Valuation with regards to Employee's terminal benefits i.e. Gratuity & Leave Encashment as mandated by Ind AS -19 issued by the ICAI. In view of lesser number of employees on rolls, the Company has made full provision for these benefits on actual basis.
- 8 The Company had accumulated losses as at the close of the financial year with its net worth continuing to stand fully eroded. However the Company continues to focus on recovery of old delinquent loan assets through settlement/ compromise /legal action etc. arising out of it's earlier business of the NBFIL. The management is considering various ways and means to enter into suitable business(es) and therefore the accounts have been prepared on Going Concern Basis.
- 9 During the year, the Company has shifted its registered office from SCO 198-200, Second Floor, Sector-34A, Chandigarh 160022 to SCO 64-65, Third Floor, Sector 17A, Chandigarh 160017 within the union territory of Chandigarh vide board resolution dated 08/02/2018.
- 10 During the year, the Company has reviewed the position of recoverable advances of Rs. 1358.47 lacs which had become doubtful of recovery in earlier years and were fully provided for. The same have been written off against provision already held wherever the prospects of recovery are Nil. Fresh provision of Rs. 253.82 lacs have been made during the year in such cases where recoverability has become doubtful.
- 11 During the quarter ended 31 March 2018, the Company has made an investment of Rs.148.00 lacs in the equity shares of Escorts Securities Limited and Rs.270.25 lacs in Preference Shares of Allgrow Finance and Investment Private Limited.
- 12 The figures for the previous period have been regrouped / rearranged / reclassified wherever necessary.

For Kapish Jain & Associates,
Chartered Accountants
Firm Registration No.022743N


CA Kapish Jain
Partner
Membership No. 514162



Place: Faridabad
Date: 16 May 2018

By Order of the Board
For Escorts Finance Limited




Pritam Narang
Whole Time Director
DIN 00982418



F.R.N. 022743N

KAPISH JAIN & ASSOCIATES

CHARTERED ACCOUNTANTS

Head Office: 504, B-Wing, Statesman House, 148, Barakhamba Road, New Delhi - 110001 | Phone : +91-11-43708987
Mobile : +91 9971 921466 | Email : ca.kapish@gmail.com | Website : www.kapishjainassociates.com; www.cakja.com

Auditor's Report on Standalone Quarterly Financial Results and Standalone Year to Date Results of Escorts Finance Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To

Board of Directors of **Escorts Finance Limited**

1. We have audited the standalone quarterly financial results of **Escorts Finance Limited** ("the Company") for the quarter ended March 31, 2018 and the standalone year to date results for the period April 01, 2017 to March 31, 2018, attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 05, 2016. These results included in the Statement, which are the responsibility of the Company's Management and approved by the Board of Directors, have been prepared on the basis of the related financial statement which is in accordance with the Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, as applicable, and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the results included in the statement.
2. 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 results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

3. Basis of Qualified Opinion

Attention is invited to the following matters in the Notes to the Financial Results:

- (i) *Note 7(a) to the financial results, the remaining liability towards unpaid/unclaimed fixed deposits and interest thereon is Rs. 1095.13 lacs as on balance sheet date and is pending for deposit in Investor Education & Protection Fund;*



- (ii) *Note 7(b) to the financial results, the Company has not obtained Actuarial Valuation with regards to Employee's terminal benefits i.e., Gratuity and Leave Encashment as mandated by Ind AS-19 issued by the Institute of Chartered Accountants of India. In the absence of the same, the impact thereof on the profit and liabilities of the Company cannot be ascertained;*

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, ***except for the effects / possible effects of the matter described under the Basis for Qualified Opinion paragraph***, these standalone quarterly financial results as well as the year to date results:

- (a) have been presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 05, 2016, in this regard; and
- (b) give a true and fair view of the net loss and other financial information for the quarter ended March 31, 2018 as well as the year to date results for the period from April 01, 2017 to March 31, 2018.

5. Emphasis of Matters

Without qualifying our opinion, we draw attention on the following matters;

- (i) the Company had accumulated losses at the close of the financial year and losses for the year with its net worth continuing to stand fully eroded and, however, the financial statements have been prepared on going concern basis for reasons explained by the management, including the possibilities of considering various ways and means to enter into suitable business(s). We have relied on the representation made to us by the management.
- (ii) the Company is no longer registered with Reserve Bank of India (RBI) as Non-Banking Financial Institution (NBFI) after cancellation of its earlier registration vide RBI letter no DNBS(NDI) S.3242/MSA/06.05.001/2015-16 dated 6th May 2016. Accordingly, the related provisions pertaining to NBFI are currently not applicable to the Company.
- (iii) the Company has reviewed the position of recoverable advances of Rs. 1358.47 lacs which had become doubtful of recovery in earlier years and were fully provided for. The same have been written off against provision already held wherever the prospects of recovery are Nil. Fresh provision of Rs. 253.82 lacs have been made during the year in such cases where recoverability has become doubtful.
- (iv) interest on preference shares amounting to Rs. 1805 lacs (previous year Rs. 1710 lacs) pertaining to 10% Redeemable Cumulative Preference Shares of Rs. 10/- each for which no provision was made in earlier years, have been waived by the preference shareholders.



- (v) the reconciliation of advance tax/ TDS recoverable with the related tax liability for earlier year has been carried out during the year. The consequent impact of the same Rs. 178.80 lacs has been taken to statement of profit and loss under the head ' Tax Expense'.
6. The statement includes the results for the quarter ended March 31, 2018 being the balancing figure between the audited figure in respect of the full financial year and the published year to date figure up to the third quarter of the current financial year.

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



CA. Kapish Jain
Partner
Membership No. 514162



Place: Faridabad
Date: May 16, 2018



F.R.N. 022743N

KAPISH JAIN & ASSOCIATES

CHARTERED ACCOUNTANTS

Head Office: 504, B-Wing, Statesman House, 148, Barakhamba Road, New Delhi - 110001 | Phone : +91-11-43708987
Mobile : +91 9971 921466 | Email : ca.kapish@gmail.com | Website : www.kapishjainassociates.com; www.cakja.com

Auditor's Report On Consolidated Financial Results of Escorts Finance Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
Board of Directors of Escorts Finance Limited

1. We have audited the accompanying consolidated financial results of **Escorts Finance Limited** ("the Company") and its associate for the year ended March 31, 2018, attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 05, 2016. These consolidated results included in the statement, which are the responsibility of the Company's Management and approved by the Board of Directors have been prepared in accordance with the Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, as applicable, and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Consolidated financial results included in the Statement.
2. 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 consolidated financial results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

3. Basis of Qualified Opinion

Attention is invited to the following matters in the Notes to the Financial Results:

- (i) *Note 7(a) to the financial results, the remaining liability towards unpaid/unclaimed fixed deposits and interest thereon is Rs. 1095.13 lacs as on balance sheet date and is pending for deposit in Investor Education & Protection Fund;*



- (ii) *Note 7(b) to the financial results, the Company has not obtained Actuarial Valuation with regards to Employee's terminal benefits i.e., Gratuity and Leave Encashment as mandated by Ind AS-19 issued by the Institute of Chartered Accountants of India. In the absence of the same, the impact thereof on the profit and liabilities of the Company cannot be ascertained;*
4. We did not audit the financial statements of the associate included in the consolidated financial results, whose consolidated financial statements reflect total assets of Rs. 2931.85 lacs as at March 31, 2018; as well as the total revenue of Rs. 863.61 lacs for the year ended March 31, 2018. These financial statements have been audited by other auditors whose report has been furnished to us by the management, and our opinion on the financial results, to the extent they have been derived from such financial statements, is based solely on the report of such other auditors.
5. In our opinion and to the best of our information and according to the explanations given to us, ***except for the effects/possible effects of the matter described under the Basis for Qualified Opinion paragraph***, these consolidated financial results:
- (a) include the financial results of the following entity:
- Escorts Securities Limited (an associate)
- (b) have been presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 05, 2016, in this regard; and
- (c) give a true and fair view of the net profit and other financial information for the year ended March 31, 2018.

7. Emphasis of Matters

Without qualifying our opinion, we draw attention on the following matters;

- (i) the Company had accumulated losses at the close of the financial year and losses for the year with its net worth continuing to stand fully eroded and, however, the financial statements have been prepared on going concern basis for reasons explained by the management, including the possibilities of considering various ways and means to enter into suitable business(s). We have relied on the representation made to us by the management.
- (ii) the Company is no longer registered with Reserve Bank of India (RBI) as Non Banking Financial Institution (NBFI) after cancellation of its earlier registration vide RBI letter no DNBS(NDI) S.3242/MSA/06.05.001/2015-16 dated 6th May 2016. Accordingly, the related provisions pertaining to NBFI are currently not applicable to the Company.



- (iii) the Company has reviewed the position of recoverable advances of Rs. 1358.47 lacs which had become doubtful of recovery in earlier years and were fully provided for. The same have been written off against provision already held wherever the prospects of recovery are Nil. Fresh provision of Rs. 253.82 lacs have been made during the year in such cases where recoverability has become doubtful.
- (iv) interest on preference shares amounting to Rs. 1805 lacs (previous year Rs. 1710 lacs) pertaining to 10% Redeemable Cumulative Preference Shares of Rs. 10/- each for which no provision was made in earlier years, have been waived by the preference shareholders.
- (v) the reconciliation of advance tax/ TDS recoverable with the related tax liability for earlier year has been carried out during the year. The consequent impact of the same Rs. 178.80 lacs has been taken to statement of profit and loss under the head ' Tax Expense'.

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



CA. Kapish Jain
Partner
Membership No. 514162.

Place: Faridabad
Date: May 16, 2018

ANNEXURE I

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - (Standalone)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2018 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	195.22	195.22
	2.	Total Expenditure	292.69	292.69
	3.	Net Profit/(Loss)	(97.47)	(97.47)
	4.	Earnings Per Share	(0.24)	(0.24)
	5.	Total Assets	512.68	512.68
	6.	Total Liabilities	512.68	512.68
	7.	Net Worth	(17817.91)	(17817.91)
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-








II.	<u>Audit Qualification (each audit qualification separately):</u>
	<p>Details of Audit Qualification:</p> <p>(i) <i>Note 7(a) to the financial results, the remaining liability towards unpaid/unclaimed fixed deposits and interest thereon is Rs. 1095.13 lacs as on balance sheet date and is pending for deposit in Investor Education & Protection Fund;</i></p> <p>(ii) <i>Note 7(b) to the financial results, the Company has not obtained Actuarial Valuation with regards to Employee's terminal benefits i.e., Gratuity and Leave Encashment as mandated by Ind AS-19 issued by the Institute of Chartered Accountants of India. In the absence of the same, the impact thereof on the profit and liabilities of the Company cannot be ascertained;</i></p> <p>Details of Emphasis of Matters (opinion not qualified):</p> <p>(i) the Company had accumulated losses at the close of the financial year and losses for the year with its net worth continuing to stand fully eroded and, however, the financial statements have been prepared on going concern basis for reasons explained by the management, including the possibilities of considering various ways and means to enter into suitable business(s). We have relied on the representation made to us by the management.</p> <p>(ii) the Company is no longer registered with Reserve Bank of India (RBI) as Non-Banking Financial Institution (NBFI) after cancellation of its earlier registration vide RBI letter no DNBS(NDI) S.3242/MSA/06.05.001/2015-16 dated 6th May 2016. Accordingly, the related provisions pertaining to NBFI are currently not applicable to the Company.</p> <p>(iii) the Company has reviewed the position of recoverable advances of Rs. 1358.47 lacs which had become doubtful of recovery in earlier years and were fully provided for. The same have been written off against provision already held wherever the prospects of recovery are Nil. Fresh provision of Rs. 253.82 lacs have been made during the year in such cases where recoverability has become doubtful.</p> <p>(iv) interest on preference shares amounting to Rs. 1805 lacs (previous year Rs. 1710 lacs) pertaining to 10% Redeemable Cumulative Preference Shares of Rs. 10/- each for which no provision was made in earlier years, have been waived by the preference shareholders.</p> <p>(v) the reconciliation of advance tax/ TDS recoverable with the related tax liability for earlier year has been carried out during the year. The consequent impact of the same Rs. 178.80 lacs has been taken to statement of profit and loss under the head ' Tax Expense'.</p>



	<p>a. Type of Audit Qualification : Qualified Opinion</p>
	<p>b. Frequency of qualification:</p> <p>(i) 7 years (ii) 7 years</p>
	<p>c. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</p> <p>(i) Note 7(a) - M/s Escorts Benefit Trust (EBT) created by Escorts Limited maintains adequate funds to repay the matured unpaid fixed deposit liability, in terms of the direction of Hon'ble Delhi High Court. During the year ended 31 March 2018, EBT has settled the claims to the extent of Rs. 37.44 lacs by payment to respective fixed deposit holders. The remaining liability towards unclaimed fixed deposits and interest thereon is Rs. 1095.13 lacs as on 31 March 2018 (Rs. 1132.57 lacs as on 31 March 2017) and is pending for deposit in Investor Education & Protection Fund.</p> <p>Management Response: Complete facts have been disclosed in the note 5 which is self-explanatory and do not call for any further comments.</p>
	<p>d. For Audit Qualification(s) where the impact is not quantified by the auditor:</p> <p>(i) Management's estimation on the impact of audit qualification: Not Applicable</p> <p>(ii) If management is unable to estimate the impact, reasons for the same:</p> <p>Note 7(b) - 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 only three employees on roll.</p> <p>(iii) Auditors' Comments on (i) or (ii) above: Audit qualifications, as restated above, are self-explanatory.</p>



<p>III.</p>	<p>Signed by-</p> <p>Pritam Narang Whole Time Director</p> 	 <p>Sumit Raj Audit Committee Chairman</p>
	 <p>Donald Fernandez Chief Financial Officer</p>	  <p>Kapish Jain, Partner of M/s Kapish Jain & Associates, Statutory Auditors of the Company</p>

Place: FARIDABAD

Date: 16 MAY 2018



ANNEXURE I

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - (Consolidated)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2018 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	360.42	360.42
	2.	Total Expenditure	292.69	292.69
	3.	Net Profit/(Loss)	67.73	67.73
	4.	Earnings Per Share	0.17	0.17
	5.	Total Assets	512.69	512.69
	6.	Total Liabilities	512.69	512.69
	7.	Net Worth	(17817.90)	(17817.90)
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-



II.	Audit Qualification (each audit qualification separately):
	<p>Details of Audit Qualification:</p> <p>(iii) <i>Note 7(a) to the financial results, the remaining liability towards unpaid/unclaimed fixed deposits and interest thereon is Rs. 1095.13 lacs as on balance sheet date and is pending for deposit in Investor Education & Protection Fund;</i></p> <p>(iv) <i>Note 7(b) to the financial results, the Company has not obtained Actuarial Valuation with regards to Employee's terminal benefits i.e., Gratuity and Leave Encashment as mandated by Ind AS-19 issued by the Institute of Chartered Accountants of India. In the absence of the same, the impact thereof on the profit and liabilities of the Company cannot be ascertained;</i></p> <p>Details of Emphasis of Matters (opinion not qualified):</p> <p>(vi) the Company had accumulated losses at the close of the financial year and losses for the year with its net worth continuing to stand fully eroded and, however, the financial statements have been prepared on going concern basis for reasons explained by the management, including the possibilities of considering various ways and means to enter into suitable business(s). We have relied on the representation made to us by the management.</p> <p>(vii) the Company is no longer registered with Reserve Bank of India (RBI) as Non-Banking Financial Institution (NBFI) after cancellation of it's earlier registration vide RBI letter no DNBS(NDI) S.3242/MSA/06.05.001/2015-16 dated 6th May 2016. Accordingly, the related provisions pertaining to NBFI are currently not applicable to the Company.</p> <p>(viii) the Company has reviewed the position of recoverable advances of Rs. 1358.47 lacs which had become doubtful of recovery in earlier years and were fully provided for. The same have been written off against provision already held wherever the prospects of recovery are Nil. Fresh provision of Rs. 253.82 lacs have been made during the year in such cases where recoverability has become doubtful.</p> <p>(ix) interest on preference shares amounting to Rs. 1805 lacs (previous year Rs. 1710 lacs) pertaining to 10% Redeemable Cumulative Preference Shares of Rs. 10/- each for which no provision was made in earlier years, have been waived by the preference shareholders.</p> <p>(x) the reconciliation of advance tax/ TDS recoverable with the related tax liability for earlier year has been carried out during the year. The consequent impact of the same Rs. 178.80 lacs has been taken to statement of profit and loss under the head ' Tax Expense'.</p>



	<p>e. Type of Audit Qualification : Qualified Opinion</p>
	<p>f. Frequency of qualification:</p> <p>(i) 7 years</p> <p>(ii) 7 years</p>
	<p>g. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</p> <p>(i) Note 7(a) - M/s Escorts Benefit Trust (EBT) created by Escorts Limited maintains adequate funds to repay the matured unpaid fixed deposit liability, in terms of the direction of Hon'ble Delhi High Court. During the year ended 31 March 2018, EBT has settled the claims to the extent of Rs. 37.44 lacs by payment to respective fixed deposit holders. The remaining liability towards unclaimed fixed deposits and interest thereon is Rs. 1095.13 lacs as on 31 March 2018 (Rs. 1132.57 lacs as on 31 March 2017) and is pending for deposit in Investor Education & Protection Fund.</p> <p>Management Response: Complete facts have been disclosed in the note 5 which is self-explanatory and do not call for any further comments.</p>
	<p>h. For Audit Qualification(s) where the impact is not quantified by the auditor:</p> <p>(i) Management's estimation on the impact of audit qualification: Not Applicable</p> <p>(ii) If management is unable to estimate the impact, reasons for the same:</p> <p>Note 7(b) - 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 only three employees on roll.</p> <p>(iii) Auditors' Comments on (i) or (ii) above: Audit qualifications, as restated above, are self-explanatory.</p>



<p>III.</p>	<p>Signed by-</p> <p>Pritam Narang Whole Time Director</p> 	 <p>Sumit Raj Audit Committee Chairman</p>
 <p>Donald Fernandez Chief Financial Officer</p>	  <p>Kapish Jain, Partner of M/s Kapish Jain & Associates, Statutory Auditors of the Company</p>	

Place: FARIDABAD

Date: 16 MAY 2018

