

ESCORTS FINANCE LIMITED

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STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2017

Sl. No.	Particulars	Rs. In Lakhs				
		Standalone results				
		Quarter ended		Nine Months ended		Year ended
	31.12.2017 (Unaudited)	30.09.2017 (Unaudited)	31.12.2016 (Unaudited)	31.12.2017 (Unaudited)	31.12.2016 (Unaudited)	31.03.2017 (Audited)
1	Income					
	a) Revenue from operations					
	b) Other income	3.32	2.58	2.58	13.91	13.01
	Total Income	0.16	0.12	0.10	0.34	0.58
2	Expenses	3.48	2.70	2.68	14.25	13.59
	a) Employee benefits expense					
	b) Finance costs	4.10	2.71	2.94	10.25	9.13
	c) Depreciation and amortisation expense	0.01	-	-	0.01	-
	d) Other expenses	(0.01)	0.01	-	-	-
	Total expenses	5.05	8.52	4.53	18.36	16.39
3	Profit/(loss) before exceptional item & tax (1-2)	9.15	11.24	7.47	28.62	25.52
4	Exceptional Items	(5.67)	(8.54)	(4.79)	(14.37)	(11.93)
5	Profit/(Loss) before tax (3-4)	-	-	-	-	-
6	Tax expense (*)	(5.67)	(8.54)	(4.79)	(14.37)	(11.93)
7	Net profit/(loss) for the period (5-6)	178.80	-	-	178.80	-
8	Other comprehensive income (OCI)	173.13	(8.54)	(4.79)	164.43	(11.93)
9	Total comprehensive Income for the period (7+8)	-	-	-	-	-
10	Paid-up Equity Share Capital (Face value of Rs.10/- each)	173.13	(8.54)	(4.79)	164.43	(11.93)
11	Other Equity (excluding revaluation reserve)	4,017.25	4,017.25	4,017.25	4,017.25	4,017.25
12	Earnings per share (of Rs.10/- each) for the period Basic & Diluted (Rs.)	0.4310	(0.0213)	(0.0119)	0.4093	(0.0297)
						(21,737.69)
						(0.0145)

Notes:-

- 1 The above Standalone Financial Results were reviewed by the Audit committee and approved and taken on record by the Board of Directors in their meeting held on February 6, 2018.
- 2 The above results are in compliance with Indian Accounting Standards ("Ind AS") notified by the Ministry of Corporate Affairs.
- 3 Since the Company has decided to submit the consolidated financials along with the annual audited results, only the standalone financial results are submitted for the quarter and nine months ended December 31, 2017.
- 4 The Company has a single reportable segment namely financial services for the purpose of Ind AS-108.
- 5* The reconciliation of advance tax/ TDS recoverable with the related tax liability for the earlier years has been carried out during the quarter. The consequent impact of the same of Rs.178.80 lakhs has been taken to the statement of profit and loss under the head Tax Expense. Moreover, Deferred Tax Asset has not been recognised in the accounts as there is no virtual certainty of future taxable income.
- 6 Pursuant to the Order of The Hon'ble High Court of Delhi dated March 4, 2011, an amount of Rs.2.63 lakhs has been paid to the FD Holders by the Trust created for the purpose during the quarter ended December 31, 2017. As on December 31, 2017, the unclaimed/ unpaid fixed deposit liability including interest is Rs.1109.48 lakhs. The Board is of the opinion that said liability is not required to be deposited in the Investor Education & Protection Fund in view of the fact that the repayment is being made by a specially created Trust under the order of the Hon'ble High Court of Delhi.
- 7 Response to auditor's qualifications on the financial results for the quarter ended December 31, 2017:
 - (a) Unpaid/ unclaimed matured fixed deposit liability aggregating to Rs.1109.48 lakhs as on December 31, 2017. Complete facts have been disclosed in Note 6 above which is self explanatory and does not call for any further comments.
 - (b) Non-provision of interest on redeemable cumulative preference shares. In view of accumulated losses, no provision has been made in the books of accounts for interest on redeemable cumulative preference shares.
 - (c) Non-determination of Employees Terminal Benefits on Actuarial Basis as per Ind AS-19. In view of lesser number of employees on rolls, the Company has made full provision for these benefits on actual basis.
- 8 The Company has accumulated losses as on December 31, 2017 with its network continuing to stand fully eroded. The Company has not carried out any fresh business. However, the Company continues to focus on recovery of delinquent loan assets through settlement/ compromise/ legal action etc. Besides the efforts on recovery of loan assets, the possibilities of venturing into newer business areas are under consideration. The accounts of the Company have been prepared on a going concern basis.
- 9 The Limited Review as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been completed and the related Report forwarded to the Stock Exchanges. This Report does not have any impact on the above 'Results and Notes' for the quarter ended December 31, 2017 which needs to be explained.
- 10 The figures for the previous period have been regrouped / rearranged / reclassified wherever necessary.

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

By Order of the Board
For Escorts Finance Limited

CA Kapish Jain
Partner
Membership No. 514162

Pritam Narang
Whole Time Director
DIN 00982418

Place: Faridabad
Date: February 6, 2018





F.R.N. O22743N

KAPISH JAIN & ASSOCIATES

CHARTERED ACCOUNTANTS

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Independent Auditor's Review Report on Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of Escorts Finance Limited

1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results ("Statement") of **Escorts Finance Limited** ("the Company") for the quarter ended December 31, 2017 ("the Statement") and the year to date results for the period April 01, 2017 to December 31, 2017, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI ((Listing Obligations and Disclosure Requirements) Regulation, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the statement based on our review.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatements. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. ***Notwithstanding the fact that the net worth of the company is fully eroded, in the opinion of the management, in view of the future business plans of the Company, the going concern concept is not vitiated.***
4. ***In accordance with the Hon'ble Delhi High Court's Order / Direction dated March 04, 2011, Escorts Benefit Trust ('EBT') created by Escorts Limited, repaid matured Fixed Deposit Liability against the claims received till March 03, 2013. Claims received subsequently have also been entertained and settled after due verification.***

Accordingly, during the quarter ended on December 31, 2017 claims to the extent of Rs. 2.63 lacs have been settled by payment to fixed deposit holders. As at December 31, 2017, unclaimed fixed deposits liability including interest is Rs. 1109.48 lacs which is pending to be deposited in Investor Education & Protection Fund.



5. *There is considerable delay/difficulty in collection of instalments due and recovery of advances, consequently, the Company has, as a matter of prudence, continued with the provisions created earlier amounting to Rs. 704.86 lacs for doubtful trade receivables and Rs. 1357.43 lacs for doubtful advances, wherever applicable.*
6. *The reconciliation of advance tax/ TDS recoverable with the related tax liability for earlier years has been carried out during the quarter. The consequent impact of the same of Rs. 178.80 lacs has been taken to statement of profit and loss under the head Tax Expense.*
7. *The Company has not obtained Actuarial Valuation with regards to Employee's terminal benefits i.e., Gratuity and Leave Encashment as mandated by Indian Accounting Standard 19 issued by the Institute of Chartered Accountants of India. In the absence of the Actuarial Valuation, the impact thereof on the profit and liabilities of the company cannot be ascertainable.*
8. *The 10% Redeemable Cumulative Preference Shares issued by the Company and which were due for redemption on June 27, 2017 have been extended upto March 30, 2019. On applicability of Indian Accounting Standards, said preference shares are treated as Financial Liability of the Company. **The Company has not made any provision towards interest payable on these redeemable cumulative preference shares.***
9. *The Company was registered under section 45-IA of the Reserve Bank of India Act, 1934. The approval for cancellation of its NBFC registration was received vide letter no. DNBS(NDI)S.3242/MSA/06.05.001/2015-16 dated May 6, 2016. Accordingly, the related provision pertaining to NBFC will no longer be applicable to the Company post receipt of the RBI order.*
10. *Based on our review conducted as stated above, **except the effect of the matter described in paragraph 4, 6, 7 & 8 above and possible effects of the matter described in paragraph 3 above**, nothing has come to our attention that causes us to believe that the accompanying statement prepared in accordance with the applicable Indian Accounting Standards specified under section 133 of the Companies Act, 2013 and SEBI Circular No. CIR/CFD/CMD/15/2015 dated November 30, 2015 and CIR/CFD/FAC/62/2016 dated July 05, 2016 and other recognized accounting practices and policies has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.*



11. The audit of financial results for the year ended March 31, 2017 and review of unaudited financial results for the quarter ended September 30, 2016 and quarter & nine months ended December 31, 2016 included in the Statement was carried out and reported by M/s N. M. Raiji & Co. vide their audit report dated May 24, 2017 and review reports dated November 24, 2016 and February 13, 2017 respectively, whose audit and review reports have been furnished to us by the management and which have been relied upon by us for the purpose of our review of the Statement.

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



CA Kapish Jain
Partner
Membership No. 514162



Place: Faridabad
Date: February 06, 2018