

**ESCORTS FINANCE LIMITED**  
 Regd. Office :C-30, Friends Colony (East), New Delhi -110065  
**AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31ST MARCH, 2011**

(Rs.in Lacs)

Sl. No.	Particulars	Year Ended 31st March	
		2011 (Audited)	2010 (Audited)
1	a. Income from Operations	2.73	19.81
	b. Other Operating Income	253.78	146.34
	<b>Total Income (1)</b>	<b>256.51</b>	<b>166.15</b>
2	Expenditure		
	a. Employee Cost	22.62	37.86
	b. Depreciation/Impairment of Assets	9.57	12.04
	c. Other Expenditure	70.60	102.68
	<b>Total Expenditure (2)</b>	<b>102.79</b>	<b>152.58</b>
3	<b>Profit from Operations before Other Income, Interest &amp; Exceptional Items (1-2)</b>	<b>153.72</b>	<b>13.57</b>
4	Other Income	-	-
5	<b>Profit from Operations before Interest &amp; Exceptional Items (3+4)</b>	<b>153.72</b>	<b>13.57</b>
6	Interest	0.13	3.77
7	<b>Profit/(Loss) from Operations After Interest but before Exceptional Items (5-6)</b>	<b>153.59</b>	<b>9.80</b>
8	Exceptional Items	(32.82)	(47.41)
9	<b>Profit/(Loss) from Ordinary Activities before tax (7+8)</b>	<b>120.77</b>	<b>(37.61)</b>
10	Tax Expense	-	-
11	<b>Net Profit/(Loss) from Ordinary Activities after tax (9-10)</b>	<b>120.77</b>	<b>(37.61)</b>
12	Extraordinary Items	-	-
13	<b>Net Profit/(Loss) for the Period (11-12)</b>	<b>120.77</b>	<b>(37.61)</b>
14	Paid-up equity share capital (Face value of Rs. 10 each)	4017.25	4017.25
15	-Reserves excluding Revaluation Reserves	3,780.50	3756.30
	-Profit & Loss Account (Dr. Balance)	24,939.58	25036.15
16	Earnings Per Share (EPS)	0.30	(0.09)
17	Public shareholding		
	-Number of Shares	12246822	10095500
	-Percentage of Shareholding	30.43	25.08
18	Promoters and promoter group Shareholding		
	a) Pledged/Encumbered		
	-Number of Shares	-	-
	-Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	-
	-Percentage of shares (as a % of the total share capital of the company )	-	-
	b) Non -Encumbered		
	-Number of Shares	28003178	30154500
	-Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00	100.00
	-Percentage of shares (as a % of the total share capital of the company )	69.57	74.92

**Notes:-**

- The above results were reviewed and recommended by the Audit Committee and approved and taken on record by the Board of Directors in their meeting held on 4th May, 2011.
- The Company has a single reportable segment namely financial services for the purpose of Accounting Standard 17.
- At the beginning and end of the quarter there were no investor complaints pending for disposal. During the quarter, the Company received Nil complaints from the investors.
- Deferred Tax Asset has not been recognised in the accounts as there is no virtual certainty of future taxable income.
- Statement Of Assets & Liabilities as at March 31, 2011

Particulars	As at 31/03/2011	As at 31/03/2010
<b>SHAREHOLDERS' FUNDS</b>		
(a) Share Capital	4,967.25	4,967.25
(b) Reserves & Surplus	3,780.50	3,756.30
<b>LOAN FUNDS (Refer Note 6)</b>		
<b>Total</b>	<b>8,747.75</b>	<b>20,037.20</b>
<b>FIXED ASSETS</b>	2.56	362.43
<b>INVESTMENTS</b>	22.02	338.02
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>		
(a) Stock Of Repossessed Assets	1.56	4.15
(b) Sundry Debtors	-	1.65
(c) Cash & Bank Balances	133.21	106.00
(d) Other Assets	0.07	11.65
(e) Loans & Advances	697.06	405.22
<b>LESS: CURRENT LIABILITIES &amp; PROVISIONS</b>		
(a) Current Liabilities (Refer note 6)	(17,042.59)	(6,223.50)
(b) Provisions	(5.72)	(4.57)
Profit & Loss Account (Dr. Balance)	24,939.58	25,036.15
<b>Total</b>	<b>8,747.75</b>	<b>20,037.20</b>

- 6 The Scheme of Compromise & Arrangement filed by the Company and Escorts Limited before the Hon'ble High Court of Delhi (the Court) to bail out fixed deposit holders and creditors of the Company, stands disposed-off by the Court vide its Order dated 4th March, 2011. On the interim directions of the Court, a total payment of Rs. 130.25 crore have already been made under the overall control & supervision of the erstwhile Hardship Committee (constituted by the Court) to the fixed deposit holders towards the maturity value of their fixed deposits in full & final settlement. In terms of the Order dated 4th March, 2011, 24,01,050 shares of Escorts Limited (EL) worth Rs. 31 Crores, as per the then current market price, have already been transferred by the Members of the erstwhile Hardship Committee in favour of trustees of Escorts Benefit Trust ("Trust") for the purpose of discharging the unclaimed fixed deposits liability amounting to Rs. 33.23 Crores. The said shares would be sold by the trustees of the Trust in the open market as and when payment claims are received upon furnishing of the discharge certificate by the fixed deposit holders. The said Court also directed EL that in the event the realized value of the said shares falls short of the unclaimed Fixed Deposit liability (as stated hereinbefore) then EL shall further place its shares to make good such shortfall to this Trust for discharging the liability in the manner stated above.
- In terms of the aforesaid Order of the Court, the Company has made necessary adjustments in the books in respect of total payments made to fixed deposit holders by the Hardship Committee upto 31st March, 2011 as well as the amount outstanding as on that date, which the Trust has undertaken to discharge.
- 7 The Company has not obtained Actuarial Valuation with regards to employees terminal benefits e.g. Gratuity and Leave Encashment as mandated by Accounting Standard 15 issued by the Institute Of Chartered Accountants Of India. In view of limited number of employees left on rolls, the Company has made full provision for these benefits as on the balance sheet date.
- 8 The comments of the Statutory Auditors in their Audit Report for the year ended 31.3.2011 and management replies in respect of major items wherever considered necessary are given as below-
- a) Non-maintenance of investments in Government Securities and non-maintenance of minimum capital in terms of RBI requirements .
- Maintenance of liquid assets is no longer necessary in view of liquidation of liability (refer Note No 6 above).
  - Due to acute financial constraints and huge accumulated losses, the Company could not maintain minimum capital as per requirement of RBI.
- b) Regarding reconciliation of advance-tax/tax provision/TDS recoverable.
- The efforts are being made to complete the reconciliation at the earliest. The necessary adjustments, if required, shall be taken as soon as the reconciliation is completed.
- 9 Figures for the previous periods have been re-grouped/rearranged/recast wherever necessary to make them comparable with the figures of the current period.



By Order of the Board  
For Escorts Finance Limited

(Inder Mohan Sakhuja)  
Chairman

Place: Faridabad  
Date : 4th May, 2011