

Escorts Finance Limited

Escorts Corporate Center
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CIN : L65910CH1987PLC033652



July 25, 2017

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai – 400 051

Scrip Code: 511716

Subject: Outcome of the Board Meeting of Escorts Finance Limited pursuant to Regulation 30 & Unaudited Financial Results pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir,

Pursuant to Regulation 30 and 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please note that the Board in its meeting held today i.e. July 25, 2017 has approved the following items:


1. Unaudited Financial Results for the quarter ended June 30, 2017 and Limited Review Report thereon and the same is attached as Annexure-I.
2. Re-appointment of Mr. Rochak Puri and Ms. Preeti Chauhan as Independent Directors for a period of 5 years on the Board of the Company, subject to the approval of the Shareholders at the ensuing Annual General Meeting. Brief profile of the Directors is attached as Annexure-II.
3. Recommended the appointment of M/s Kapish Jain & Associates, Chartered Accountants (FRN-022743N) as Statutory Auditors of the Company for a period of 5 years, subject to the approval of the Shareholders at the ensuing Annual General Meeting. Brief Profile of the proposed Auditors of the Company is attached as Annexure-III.

We further wish to inform you that the Board Meeting held today commenced at 4:00 p.m. and concluded at 5:15 p.m. 

Kindly take the same on record.

Thanking you.

Yours faithfully,
For Escorts Finance Limited


Vicky Chauhan
Company Secretary
Encl: A/a



ESCORTS FINANCE LIMITED

Regd. Office : SCO-198-200, Second Floor, Sector-34A, Chandigarh-160022 CIN : L65910CH1987PLC033652

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**STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS
FOR THE QUARTER ENDED JUNE 30, 2017**

Sl. No.	Particulars	Rs. in Lakhs			
		Quarter ended			Year ended
		30.06.2017 (Unaudited)	31.03.2017 (Audited)	30.06.2016 (Unaudited)	31.03.2017 (Audited)
1	Income				
	a) Revenue from operations	8.01	16.80	0.43	29.81
	b) Other income	0.06	0.08	0.14	0.66
	Total income	8.07	16.88	0.57	30.47
2	Expenses				
	a) Employee benefits expense				
	b) Finance costs	3.44	2.94	2.89	12.07
	c) Depreciation and amortisation expense	-	-	-	-
	d) Other expenses	-	-	-	-
	Total expenses	4.79	7.83	3.09	24.22
3	Profit/(loss) before exceptional item & tax (1-2)	8.23	10.77	5.98	36.29
4	Exceptional items	(0.16)	6.11	(5.41)	(5.82)
5	Profit/(Loss) before tax (3-4)	(0.16)	6.11	(5.41)	(5.82)
6	Tax expense (*)	-	-	-	-
7	Net profit/(loss) for the period (5-6)	(0.16)	6.11	(5.41)	(5.82)
8	Other comprehensive income (OCI)	-	-	-	-
9	Total comprehensive income for the period (7+8)	(0.16)	6.11	(5.41)	(5.82)
10	Earnings per share (of Rs.10/- each) for the period				
	Basic & Diluted (in Rs.)	(0.0004)	0.0152	(0.0135)	(0.0145)
11	Paid-up Equity Share Capital (Face value of Rs.10/- each)	4,017.25	4,017.25	4,017.25	4,017.25
12	Other Equity (excluding revaluation reserve)				(21,737.69)

Notes:-

- 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 July 25, 2017.
- Results for the quarter ended on June 30, 2017 are in compliance with Indian Accounting Standards ("IndAS") notified by the Ministry of Corporate Affairs.
- 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 ended June 30, 2017.
- The Company has a single reportable segment namely financial services for the purpose of Ind AS-108.
- Deferred Tax Asset has not been recognised in the accounts as there is no virtual certainty of future taxable income.
- Pursuant to the Order of The Hon'ble High Court of Delhi dated March 4, 2011, an amount of Rs.4.60 lakhs has been paid to the FD Holders by the Trust created for the purpose during the quarter ended June 30, 2017. As on June 30, 2017, the unclaimed/ unpaid fixed deposit liability is Rs.1127.97 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.
- Response to auditor's qualifications on the financial results for the quarter ended June 30, 2017:
 - Unpaid/ unclaimed matured fixed deposit liability aggregating to Rs.1127.97 lakhs as on June 30, 2017. Complete facts have been disclosed in Note 6 above which is self explanatory and does not call for any further comments.
 - 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.
 - 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.
- The 10% Redeemable Cumulative Preference Share which were due for redemption on June 27, 2017 have been extended upto March 30, 2019.
- 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.
- The figures for the previous period have been regrouped / rearranged / reclassified wherever necessary.

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

S.N. Shrivakumar

CA S.N. Shrivakumar
Partner
Membership No. 088113

Place: Faridabad
Date: July 25, 2017



By Order of the Board
For Escorts Finance Limited

Pritam Narang
Whole Time Director
DIN 00982418

LIMITED REVIEW REPORT

Review Report to
The Board of Directors,
Escorts Finance Limited,
Chandigarh

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **Escorts Finance Limited** ("the Company") for the quarter ended June 30, 2017 ("the Statement"), 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 these financial statements 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 4th March, 2011, Escorts Benefit Trust ('EBT') created by Escorts Limited, repaid matured Fixed Deposit Liability against the claims received till 03rd March 2013. Claims received subsequently have also been entertained and settled after due verification. Accordingly, during the quarter ended on June 30, 2017 claims to the extent of Rs. 4.60 lacs have been settled by payment to fixed deposit holders. As at June 30, 2017, unclaimed fixed deposits liability including interest is Rs. 1127.97 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 provision of Rs. 710.73 lacs for doubtful trade receivables and Rs. 1357.43 lacs for advances created earlier, wherever applicable.*
6. 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 Ind-AS, the abovementioned 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.***
7. 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.
8. Based on our review conducted as stated above, ***except the effect of the matters described in paragraphs 3 & 6 above and possible effects of the matter described in paragraph 4 above,*** nothing has come to our attention that causes us to believe that the accompanying statement, prepared in accordance with the applicable Accounting Standards i.e. Ind AS and other Accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms 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, including the manner in which it is to be disclosed, or that it contains any material misstatement.

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

S.N. Shivakumar

CA. S.N. Shivakumar
Partner
M.No.088113



Place: Faridabad
Dated: July 25, 2017

Brief profile of Directors to be Re-appointed in the ensuing Annual General Meeting

Name	Mr. Rochak Puri	Ms. Preeti Chauhan
DIN	00042536	06567695
Term of Appointment	Proposed for a period of Five (5) Years w.e.f ensuing Annual General Meeting of the Company.	
Qualification	B.Com (Hons) from Delhi University, Member of ICSI, Intermediate of ICWA.	Graduate from Delhi University, M.Com in Business Policy and Corporate Governance from IGNOU and Member of ICSI.
Area of Expertise	Mr. Puri is a Financial Planner and Consultants, regular speaker in International conferences and active and dynamic participant in Workshops/seminars on human technology at both domestic and International Platforms.	Ms. Preeti Chauhan is having experience in Secretarial, Legal, Finance and accounts.
Other Directorships	NIL	NIL

Brief Profile of Proposed Statutory Auditors of the Company

Escorts Finance Limited, in its meeting held on July 25, 2017 has recommended the appointment of M/s Kapish Jain & Associates, Chartered Accountants as Statutory Auditors of the Company for a period of 5 years, subject to the approval of the Shareholders at the ensuing Annual General Meeting.

M/s Kapish Jain & Associates, having a Firm Registration number – 022743N was established in the year 2009 and is offering its services from its Head office located at Delhi. The organization is a congregation of professionally qualified and experienced persons, who are committed to add value and optimize the benefits accruing to clients.

The firm is having grueling, hardcore and penetrating experience in the areas of Statutory Audits, Internal Audits, Company Law Matters, Taxation, Accounting & Related Consultancy and Business and Finance Planning etc. The firm is predominantly in practice of Taxation & Audits of Corporate and Non corporate entities.