

ESCORTS FINANCE LIMITED

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

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2013

Sl. No.	Particulars	(Rs. in Lacs)					
		Quarter ended			Half year ended		
		September 30, 2013 (Unaudited)	June 30, 2013 (Unaudited)	September 30, 2012 (Unaudited)	September 30, 2013 (Unaudited)	September 30, 2012 (Unaudited)	March 31, 2013 (Audited)
PART I:							
1	a. Income from Operations	-	-	-	-	-	-
	b. Other Operating Income	7.10	43.05	19.02	50.15	29.43	47.48
	Total Income (1)	7.10	43.05	19.02	50.15	29.43	47.48
2	Expenses						
	a. Employee Benefits Expenses	2.72	4.63	4.04	7.35	8.07	16.46
	b. Depreciation and Amortisation Expenses	0.06	0.05	0.09	0.11	0.18	0.37
	c. Other Expenses	11.54	10.60	18.48	22.14	72.09	87.37
	Total Expenses (2)	14.32	15.28	22.61	29.60	80.34	104.20
3	Profit/(Loss) from Operations before Other Income, Finance Costs & Exceptional Items (1-2)	(7.22)	27.77	(3.59)	20.55	(50.91)	(56.72)
4	Other Income	-	-	-	-	-	-
5	Profit/(Loss) from Operations before Finance Costs & Exceptional Items (3+4)	(7.22)	27.77	(3.59)	20.55	(50.91)	(56.72)
6	Finance Costs	0.02	0.02	0.51	0.04	0.51	0.55
7	Profit/(Loss) from Operations after Finance Costs but before Exceptional Items (5-6)	(7.24)	27.75	(4.10)	20.51	(51.42)	(57.27)
8	Exceptional Items	-	-	-	-	-	-
9	Profit/(Loss) from Ordinary Activities before Tax (7+8)	(7.24)	27.75	(4.10)	20.51	(51.42)	(57.27)
10	Tax Expenses *	-	-	-	-	-	-
11	Net Profit/(Loss) from Ordinary Activities after Tax (9-10)	(7.24)	27.75	(4.10)	20.51	(51.42)	(57.27)
12	Extraordinary Items	-	-	-	-	-	-
13	Net Profit/(Loss) for the period (11-12)	(7.24)	27.75	(4.10)	20.51	(51.42)	(57.27)
14	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
15	Reserves excluding Revaluation Reserves as per Balance Sheet of previous accounting year	-	-	-	-	-	(21,772.17)
16	Earnings Per Share (EPS) of Rs. 10/- each for the period - Basic & Diluted before and after Extraordinary Items (in Rs.)	(0.02)	0.07	(0.01)	0.05	(0.13)	(0.14)

PART II : SELECT INFORMATION FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2013

A		PARTICULARS OF SHAREHOLDING					
1	Public shareholding						
	-Number of Shares	12246822	12246822	12246822	12246822	12246822	12246822
	-Percentage of Shareholding (%)	30.43	30.43	30.43	30.43	30.43	30.43
2	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	28003178	28003178	28003178	28003178	28003178
	-Percentage of shares (as a % of the total shareholding of promoter and promoter group) (%)	100.00	100.00	100.00	100.00	100.00	100.00
	-Percentage of shares (as a % of the total share capital of the company) (%)	69.57	69.57	69.57	69.57	69.57	69.57
B		PARTICULARS					
		QUARTER ENDED SEPTEMBER 30, 2013					
INVESTOR COMPLAINTS							
	Pending at the beginning of the quarter				0		
	Received during the quarter				1		
	Disposed of during the quarter				1		
	Remaining unresolved at the end of the quarter				0		

Notes to the Financial Results:-

- The above results were reviewed and recommended by the Audit Committee and approved and taken on record by the Board of Directors of the Company in their respective meetings held on November 13, 2013 and a Limited Review of the results for the quarter and half year ended on September 30, 2013 has been carried out by the Statutory Auditors of the Company.
- The Company has a single reportable segment namely financial services for the purpose of Accounting Standard 17.
- 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 04, 2011, an amount of Rs. 0.80 Crore has been paid to the FD Holders during the quarter ended September 30, 2013. As on the said date, the unclaimed/ unpaid fixed deposit liability is Rs.16.21 Crores.
- Standalone Statement of Assets & Liabilities as at September 30, 2013

Particulars	(Rs. in Lacs)	
	As at half year ended on September 30, 2013	As at year ended on March 31, 2013
A EQUITY AND LIABILITIES		
1 Shareholders' Funds		
(a) Share Capital	4,967.25	4,967.25
(b) Reserves and Surplus	(21,751.66)	(21,772.17)
Sub Total - Shareholders Funds	(16,784.41)	(16,804.92)
2 Non-Current Liabilities		
(a) Long-Term Provisions	1.91	3.90
Sub Total - Non Current Liabilities	1.91	1.91
3 Current Liabilities		
(a) Other Current Liabilities	17,427.18	17,429.30
(b) Short-Term Provisions	189.29	189.54
Sub Total - Current Liabilities	17,616.47	17,618.84
TOTAL EQUITY AND LIABILITIES	833.97	817.82
B ASSETS		
1 Non-Current Assets		
(a) Fixed Assets	0.62	0.74
(b) Non-Current Investments	489.93	489.93
Sub Total - Non Current Assets	490.55	490.67
2 Current Assets		
(a) Current Investments	0.01	0.01
(b) Inventories	0.60	0.67
(c) Trade Receivables	-	-
(d) Cash, Cash Equivalents and Bank Balances	21.44	7.22
(e) Short-Term Loans and Advances	321.37	319.06
(f) Other Current Assets	-	0.19
Sub Total - Current Assets	343.42	327.15
TOTAL ASSETS	833.97	817.82

6 The comments of the Statutory Auditors in their Audit Report for the year ended March 31, 2013 and management replies in respect of major items wherever considered necessary are given below-

- Non-maintenance of investments in Government Securities and non-maintenance of minimum capital adequacy ratio in terms of RBI requirements.
- Maintenance of liquid assets is not required in view of substantial liquidation of fixed deposits liability & arrangements made for liquidation of remaining amount of unclaimed fixed deposits.
- Due to acute financial constraints and huge accumulated losses, the Company could not maintain minimum capital adequacy ratio as per requirement of RBI.
- Non-provision of preference dividend on cumulative preference shares.
- In view of accumulated losses no provision has been made in the books of accounts for preference dividend on cumulative preference shares.

7 Figures for the previous periods have been re-grouped/rearranged/restated wherever necessary to make them comparable with those of the current period.



By Order of the Board
For Escorts Finance Limited

(Signature)
Inder Mohan Sakhuja
Chairman

Place: Faridabad
Date: November 13, 2013

N. M. RAJJI & CO.

Chartered Accountants

E-7/14, Vasant Vihar
New Delhi-110057
Telephone : 41660547
Telefax : 41660548

LIMITED REVIEW REPORT

To,
The Board of Directors
Escorts Finance Limited
Chandigarh

1. We have reviewed the accompanying statement of un-audited financial results of ESCORTS FINANCE LIMITED ("the Company") for the quarter ended 30th September, 2013 except for the disclosures regarding "Public Shareholding" and "Promoter and Promoter Group Shareholding" which have been traced from disclosures made by the management and have not been audited by us. 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 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. *Investment in securities amounting to Rs. 1.25 lacs at cost (Previous Year Rs.1.25 lacs) are currently not traceable in the records. Adequate provision for the same is held in the books of account.*
4. As at the period ended 30th September, 2013, the Company has not maintained the minimum Capital Adequacy Ratio/Statutory Liquid Ratio that is required to be maintained in terms of the Non-Banking Financial Companies Requirements. The net worth of the Company continues to be fully eroded as at the quarter ended 30th September, 2013.



5. ***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.***
6. 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 considered for payment. Accordingly, during the quarter ended on 30th September 2013, claims to the extent of Rs. 0.80 Crore has been settled by payment to fixed deposit holders. As at 30th September 2013 unclaimed fixed deposits liability including interest is Rs. 16.21 Crores.
7. The credit rating for the Fixed Deposits programme of the Company was revised in November, 2005 by CARE Limited to CARE (B) i.e. Susceptible to default. ***After submission of the Scheme of Compromise and Arrangement filed before the Hon'ble Delhi High Court, no rating has been sought thereafter.*** The Company has not accepted any fresh deposits or renewed any fixed deposits since July 2006.
8. ***The company had initiated the process of software migration for its Fixed Deposits database from its existing legacy package to Oracle based package for which updation/reconciliation is in process.***
9. ***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. 8.74 crores for doubtful trade receivables and Rs. 13.63 crores for advances created earlier, wherever applicable.***
10. ***The Company has not obtained Actuarial Valuation with regards to Employee's terminal benefits i.e., Gratuity and Leave Encashment as mandated by Accounting Standard 15 issued by the Institute of Chartered Accountants of India.***



11. The 10% Redeemable Cumulative Preference Shares issued by the Company and which were due for redemption on 27.06.2012 have been rolled over for a further period of 5 years i.e. upto 27th June 2017. ***The Company has not made any provision towards dividend payable on these redeemable cumulative preference shares.***
12. The Reserve Bank of India has exercised its powers under Section 45 MB (2) of the Reserve Bank of India Act. Further, the company has filed an application with the Reserve Bank of India (RBI) for deregistration of its NBFC Status and accordingly Certificate of Registration (COR) has been surrendered.
13. Based on our review conducted as above and ***subject to our observations in Paras 3,5,6,7,8,9,10 and 11 above***, nothing has to come to our attention that causes us to believe that the accompanying statement of un-audited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

Place: Faridabad
Dated: 13th November, 2013

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

S.N. Shivakumar

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

