

**Escorts Finance Limited**

Escorts Corporate Center  
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CIN : L65910CH1987PLC033652



February 12, 2016

**BSE Limited**

Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai – 400 051

**Scrip Code: BSE – 511716**

**Subject: Outcome of the Board Meeting 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 has approved the Unaudited Quarterly Financial Results for the quarter and nine months ended December 31, 2015 along with Limited Review Report in its meeting held today.

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

Kindly take the same on record.

Thanking you.

Yours faithfully,  
For **Escorts Finance Limited**

*Vicky*  
**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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 E-mail: escortsfinance@escorts.co.in, Website: escortsfinance.com  
**STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS**  
**FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2015**

Sl. No.	Particulars	Rs.in Lakhs					
		3 Months ended	Preceding 3 Months ended	Corresponding 3 Months ended in the Previous Year	9 Months ended	Corresponding 9 Months ended in the Previous Year	Previous Year ended
		31/12/2015 (Reviewed)	30/09/2015 (Reviewed)	31/12/2014 (Reviewed)	31/12/2015 (Reviewed)	31/12/2014 (Reviewed)	31/03/2015 (Audited)
<b>PART I:</b>							
1	Income from Operations	-	-	-	-	-	-
	a. Income from Operations	-	-	-	-	-	-
	b. Other Operating Income	9.50	35.36	6.34	63.48	36.26	43.21
	<b>Total Income from Operations (Net)</b>	<b>9.50</b>	<b>35.36</b>	<b>6.34</b>	<b>63.48</b>	<b>36.26</b>	<b>43.21</b>
2	Expenses						
	a. Employee Benefits Expenses	3.66	2.46	2.53	8.64	8.05	10.42
	b. Depreciation and Amortisation Expenses	-	-	0.03	-	0.07	0.07
	c. Other Expenses	4.14	8.99	13.32	20.35	31.88	41.39
	<b>Total Expenses</b>	<b>7.80</b>	<b>11.45</b>	<b>15.88</b>	<b>28.99</b>	<b>40.00</b>	<b>51.88</b>
3	<b>Profit/(Loss) from Operations before Other Income, Finance Costs and Exceptional Items (1-2)</b>	<b>1.70</b>	<b>23.91</b>	<b>(9.54)</b>	<b>34.49</b>	<b>(3.74)</b>	<b>(8.67)</b>
4	Other Income	-	-	-	-	-	-
5	<b>Profit/(Loss) from Ordinary Activities before Finance Costs &amp; Exceptional Items (3+4)</b>	<b>1.70</b>	<b>23.91</b>	<b>(9.54)</b>	<b>34.49</b>	<b>(3.74)</b>	<b>(8.67)</b>
6	Finance Costs	(0.00)	0.01	0.01	0.01	0.01	0.01
7	<b>Profit/(Loss) from Ordinary Activities after Finance Costs but before Exceptional Items (5-6)</b>	<b>1.70</b>	<b>23.90</b>	<b>(9.55)</b>	<b>34.48</b>	<b>(3.75)</b>	<b>(8.68)</b>
8	Exceptional Items	-	-	-	-	-	-
9	<b>Profit/(Loss) from Ordinary Activities before Tax (7+8)</b>	<b>1.70</b>	<b>23.90</b>	<b>(9.55)</b>	<b>34.48</b>	<b>(3.75)</b>	<b>(8.68)</b>
10	Tax Expense *	-	-	-	-	-	-
11	<b>Net Profit/(Loss) from Ordinary Activities after Tax (9-10)</b>	<b>1.70</b>	<b>23.90</b>	<b>(9.55)</b>	<b>34.48</b>	<b>(3.75)</b>	<b>(8.68)</b>
12	Extraordinary Items	-	-	-	-	-	-
13	<b>Net Profit/(Loss) for the period (11-12)</b>	<b>1.70</b>	<b>23.90</b>	<b>(9.55)</b>	<b>34.48</b>	<b>(3.75)</b>	<b>(8.68)</b>
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	-	-	-	-	-	(21,768.29)
16	Earnings Per Share (before and after Extraordinary Items) of Rs. 10/- each for the period Basic & Diluted (in Rs.) (not annualised)	0.004	0.06	(0.02)	0.09	(0.01)	(0.02)

**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 February 12, 2016.
- 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 4, 2011, an amount of Rs.16.34 lacs has been paid to the FD Holders during the quarter ended December 31, 2015. As on the said date, the unclaimed /unpaid fixed deposit liability is Rs.1279.19 lacs which is pending to be deposited in Investor Education & Protection Fund.
- The comments of the Statutory Auditors in their Audit Report for the year ended March 31, 2015 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 substantial accumulated losses, the Company has not maintained the minimum capital adequacy ratio as per RBI requirement.

  - 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.
  - Non-determination of Employees Terminal Benefits on Actuarial Basis as per AS-15.
  - In view of lesser number of employees on rolls, the Company has made full provision for these benefits on actual basis.
- The Company is presently engaged in recovery of delinquent loan assets and settlement of old legal cases filed by/against the Company. Application made to RBI for deregistration as NBFC is pending, however, certificate of registration has been surrendered. Pending completion of deregistration formalities and recovery of loan assets, the possibilities of venturing into newer business areas shall be examined subsequently.
- Figures for the previous periods have been regrouped/ rearranged/ restated wherever necessary to make them comparable with those of the current period.

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

*S.N. Shivakumar*

CA S.N. Shivakumar  
Partner  
Membership No. 088113

Place: Faridabad  
Date: February 12, 2016



By Order of the Board  
For Escorts Finance Limited

*Pritam Narang*  
Pritam Narang  
Director



**Review Report to the Board of Directors of Escorts Finance Limited**

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results ("the Statement") of ESCORTS FINANCE LIMITED ("the Company") for the quarter and nine months ended December 31,2015. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors on February 12,2016. Our responsibility is to issue a report on this Statement, 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 Statement is free of material misstatement. 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. As at the period ended 31st December, 2015, 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 31<sup>st</sup> December, 2015.
4. ***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.***
5. 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 03<sup>rd</sup> March 2013. Claims received subsequently have also been considered for payment. Accordingly, during the quarter ended on 31st December, 2015 claims to the



extent of Rs. 16.34 lacs have been settled by payment to fixed deposit holders. As at 31st December, 2015, unclaimed fixed deposits liability including interest is Rs. 1279.19 lacs which is pending to be deposited in Investor Education & Protection Fund.

6. 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.
7. ***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.***
8. ***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. 805.33 lacs for doubtful trade receivables and Rs. 1357.57 lacs for advances created earlier, wherever applicable.***
9. ***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.***
10. ***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 27<sup>th</sup> June 2017. The Company has not made any provision towards dividend payable on these redeemable cumulative preference shares.***
11. ***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.***





12. Based on our review conducted as above and **subject to our observations in Paras 4,5,6,7,8,9 and 10 above**, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable Accounting Standards specified under Section 133 of the Companies Act , 2013 read with Rule 7 of the Companies (Accounts) Rules 2014 and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms 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..

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: 12<sup>th</sup> February, 2016